

# Social Security Bulletin

February 1946

Vol. 9 No. 2

•  
*"Issues in Social Security"*

*Postwar Economic Perspectives:*

*III. Prewar Experience*

*Determination of Suitable Work*

*During Reconversion*

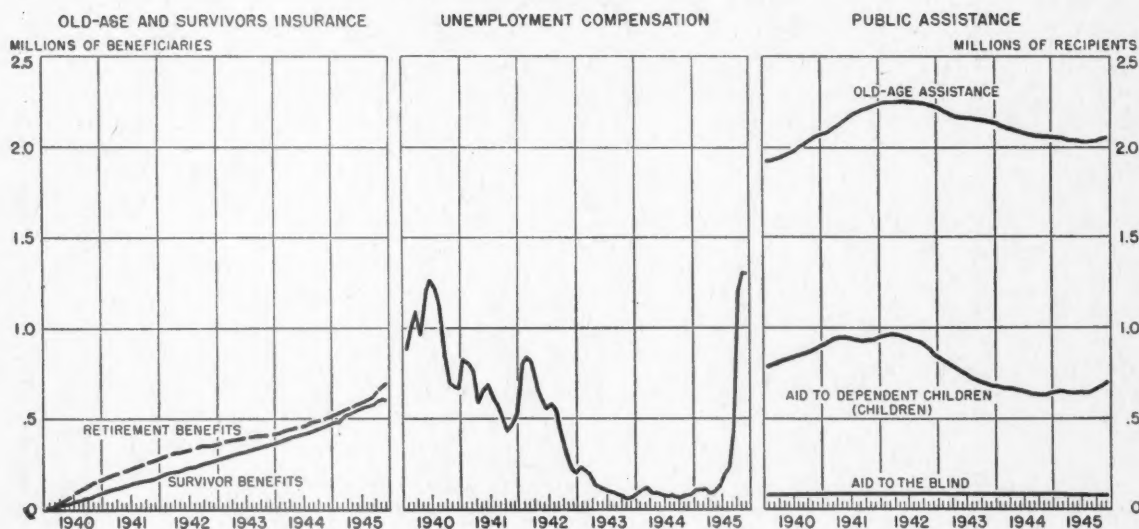
FEDERAL SECURITY AGENCY

SOCIAL SECURITY BOARD

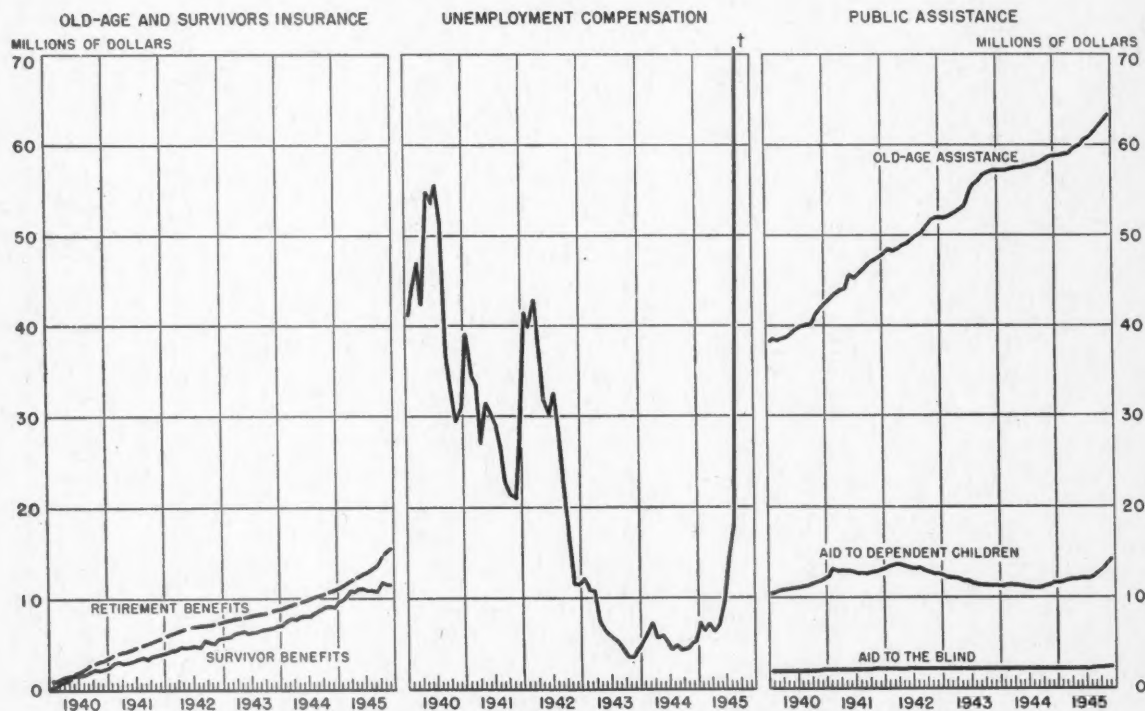
WASHINGTON, D. C.

# Social Security Operations\*

## INDIVIDUALS RECEIVING PAYMENTS



## SOCIAL SECURITY PAYMENTS



\*Old-age and survivors insurance, beneficiaries for whom payments were certified and amounts certified during month; unemployment compensation, weekly average number of beneficiaries for the month and gross benefits paid during the month under all State laws; public assistance, recipients and payments under all State programs.

†Estimates for unemployment compensation benefits: \$106 million for October, \$108 million for November, and \$107 million for December.



# h a c



# Social Security Bulletin

Volume 9

February 1946

Number 2

## Social Security in Review

### Employment in January

Demobilization from the armed forces continued unabated during January. About 938,000 persons were returned to civilian life from the Army and 344,000 from the Navy. Since VJ-day, 5.1 million persons have been released from the Army and 1.9 million from the Navy. Reconversion was, however, somewhat slowed up by the number of labor disputes in progress during the month.

The number of veterans receiving readjustment allowances continued to increase each week in January:

Week ended	Number
January 5.....	510,000
January 12.....	668,000
January 19.....	771,000
January 26.....	841,000

Despite this fact, it appears that roughly about 85 percent of the veterans released from the armed forces since VE-day and available for civilian employment found jobs by the end of January.

While unemployment in covered industries, as measured by claims filed each week in January, rose 15 percent over the December figures and reached the highest point since VJ-day, the rise from the first to the fourth week of January in compensable claims filed by civilian workers was only 7 percent, in contrast to the 65-percent rise in the number of veterans receiving readjustment allowances.

Week ended	Number of claims (in thousands)			
	Total	Initial	Waiting-period	Compensable
January 5.....	1,858	188	105	1,565
January 12.....	2,116	236	133	1,583
January 19.....	2,040	243	153	1,744
January 26.....	2,134	307	160	1,667

Initial claims of nonveterans, which had been remaining fairly stationary at about 175,000 a week during December, rose steadily in January,

reaching 300,000 in the last week; probably the rise was largely the result of labor disputes though to some extent seasonal factors may have been a contributing cause. Waiting-period claims also increased sharply. Compensable claims, however, rose much less, indicating that reemployment among civilian workers receiving benefits is still proceeding rapidly though it is not keeping pace with new displacements from covered industry. Unless the labor-market situation stabilizes, it may be expected that the number of persons filing compensable claims will increase still further in

February. The rise in claims in January was fairly general throughout the country. Among the seven States with the largest claim loads, only Michigan reported little change in total claims filed; in the other six States, claims increased substantially.

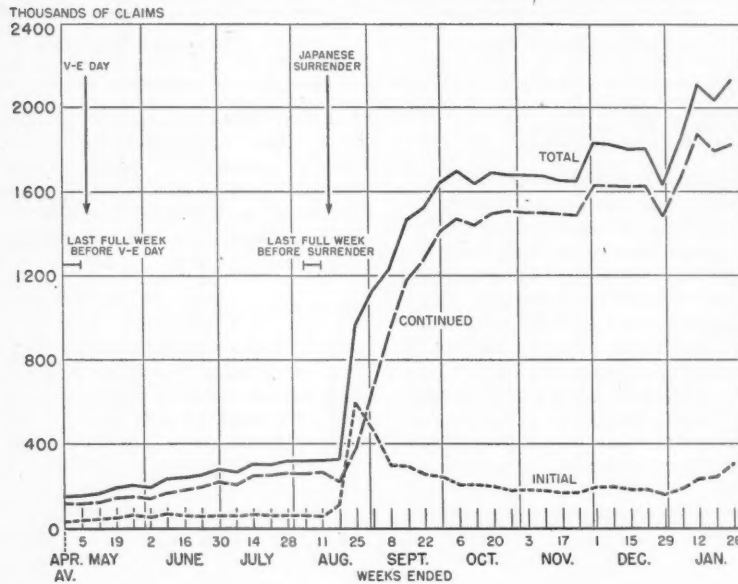
### 1945 in Review

At the end of the year, old-age and survivors insurance benefits totaling \$27.4 million a month were in force for 1.5 million persons, 611,000 of them primary beneficiaries, and the others, dependents or survivors of insured workers. Expenditures under the four public assistance programs, amounting to \$88 million, went to 2 million

### In this issue:

SOCIAL SECURITY IN REVIEW:	Page
Employment in January.....	1
1945 in review.....	1
State legislatures memorialize Congress.....	48
"ISSUES IN SOCIAL SECURITY".....	3
POSTWAR ECONOMIC PERSPECTIVES. III. PREWAR EXPERIENCE: PRODUCTION AND CONSUMPTION, by W. S. Woytinsky.....	9
DETERMINATION OF SUITABLE WORK DURING RECONVERSION.....	17
EMPLOYMENT SECURITY:	
Unemployment claims and benefits.....	21
State programs.....	21
Veterans' readjustment allowances.....	26
Nonfarm placements.....	27
OLD-AGE AND SURVIVORS INSURANCE:	
Monthly benefits in force and payments certified, December 1945.....	28
Employers, workers, and taxable wages, third quarter, 1945.....	29
Monthly benefits and lump-sum payments awarded, October-December 1945.....	29
PUBLIC ASSISTANCE:	
Program operations.....	30
Recent trends in number of applications for assistance.....	31
SOCIAL AND ECONOMIC DATA:	
Social security and other income payments.....	36
Income payments to individuals.....	36
Estimated pay rolls in covered employment, third quarter, 1945.....	36
Social insurance and related payments.....	37
Civil-service refunds.....	39
Financial and economic data.....	40
The budget for 1946-47.....	40
Financial operations in 1945.....	41
RECENT PUBLICATIONS.....	45

*Weekly number of claimants for unemployment benefits, May 5, 1945-January 26, 1946*



old-age assistance recipients, 71,000 blind recipients, 274,000 families with dependent children, and 256,000 general assistance cases in December. In that month an average weekly number of 1.3 million unemployed workers received benefits totaling \$107 million, while in addition 405,000 unemployed and about 14,000 self-employed veterans were receiving allowances under the GI Bill of Rights.

WHEN 1945 BEGAN, the unemployment insurance program was already reflecting a gradual curtailment of war production, but neither claims nor benefits were much above the 1944 levels. Initial claims were filed in January by 154,000 newly unemployed workers, and continued claims totaled 593,000. In all, \$7.3 million was expended during the month to a weekly average of 105,000 claimants. In the following 4 months, both claims and benefits, influenced by seasonal factors and variations in employment conditions in different areas of the country, fluctuated around that general level. In June, however, the effects of lay-offs immediately after VE-day were apparent. Almost 270,000 initial claims were filed, the weekly average number of beneficiaries had risen to 129,000, and payments totaled \$9.7 million.

The sudden ending of the war in the Pacific, with the resultant large-scale cancellation of war contracts and rush to get civilian production under way, brought an immediate change in the pace of unemployment insurance operations. The jump in claims, from 319,000 in the week ended August 11, just before the surrender, to 1.1 million in the last week in the month, is clearly shown in the accompanying chart. Month-to-month changes in claims filed in the last 6 months of the year were as follows:

Month	Claims	
	Initial	Continued
July.....	287,550	1,080,797
August.....	1,230,375	1,532,000
September.....	1,085,690	4,724,102
October.....	917,785	6,670,842
November.....	765,932	6,502,405
December.....	739,127	6,563,645

The fact that, before August, certain areas in the country had already absorbed the dislocations in employment caused by war-contract terminations during the last months of 1944 and the early part of 1945 was one factor in keeping unemployment from mounting to the volume which seemed to threaten in the latter part of August. Another development

favorable to the labor market was the generally unanticipated lag between the release of servicemen and women and their entrance into the civilian labor force. Despite the unprecedented speed of demobilization, which resulted in the release of close to 5.7 million men and women between May 12 and the end of December, the number who remained on furlough or took time out before claiming their old jobs or looking for new ones was sufficient to delay somewhat the resulting displacement of civilian workers. Many thousands have also returned to college or enrolled for refresher or other training courses under the provisions of the GI Bill.

The 1945 peak in initial claims was reached in August. Continued claims, however, tripled between August and September and were at their highest point in October. The peak of benefit payments—\$108.5 million—and weekly number of beneficiaries—1,319,000—came in November.

IN OLD-AGE AND SURVIVORS insurance the course of the war could be traced during the year in the rise in awards of monthly benefits. The total number awarded, 462,500, was almost 50 percent more than in 1944. Awards of survivor benefits continued to mount in the first part of the year as the number of war deaths increased. Awards of primary and wife's benefits mounted in the second part, as older workers left or were displaced from their wartime jobs; for the year, the number of awards of primary benefits was 68 percent, and that of wife's benefits 56 percent, more than in 1944. At the end of December, both the number of benefits in force and the total monthly amount were about one-third more than those a year earlier. The relative number of benefits in conditional-payment status, on the other hand, declined slightly—from 14 percent to 12 percent. During the year, \$261.6 million was certified in monthly benefits—one-third more than in 1944—and \$26.1 million in lump-sum payments.

IN THE PUBLIC ASSISTANCE programs, the effect of local cut-backs on applications for assistance was evident even before 1945. Applications for aid to dependent children began in

(Continued on page 48)

## "Issues In Social Security"

THE SOCIAL SECURITY TECHNICAL STAFF of the House Committee on Ways and Means presented its report, *Issues in Social Security*,<sup>1</sup> to the Committee on January 17. Congress authorized the study on which the report is based on March 26, 1945, appropriating \$50,000 to be spent "in obtaining information with respect to the need for the amendment and expansion of the Social Security Act, with particular reference to old-age and survivors insurance and the problems of coverage, benefits, and taxes related thereto." The Committee created a social security technical staff, which was directed to investigate and report on old-age and survivors insurance, unemployment compensation, and public assistance. Leonard J. Calhoun, Commander, United States Naval Reserve, was in charge of the study. Other members of the technical staff, whose services were made available through the courtesy of their respective organizations, were Rainard B. Robbins, vice president of the Teachers Insurance and Annuity Association; John J. Corson, director of research of the Washington Post; Fedele F. Fauri, director of the Michigan Department of Social Welfare; George W. K. Grange, of the actuarial division of the Metropolitan Life Insurance Company; and William R. Curtis, chief of the Administrative Standards Division, Bureau of Employment Security, Social Security Board.

The report, "printed for the purposes of information and discussion," describes "each of the programs within its scope, reviews the various proposed changes in each, and attempts an evaluation of the purpose, effect, and cost of the proposed changes . . . Social security in its broader sense, of course," the report points out, "includes provision for programs outside the scope of this report, such as public health, vocational rehabilitation, and maternal and child welfare services. It also includes proposed provisions for programs of general medical (including dental and surgical) care, hospitali-

zation, cash sickness benefits, and cash maternity benefits. Thus the report deals with only a part, though a very important part, of the public programs for relieving or avoiding destitution and ill health . . .

"In evaluating the insurance and assistance programs established under the Social Security Act, some viewpoint must be taken as to the importance of the objectives of each program. While public opinion appears to hold that unfortunate individuals should not be left to starve, and that there should be public provision made to afford some protection against major economic hazards such as those arising from old age, unemployment, and death, viewpoints differ basically as to just what should be done.

"By way of illustration, take the extreme viewpoints as to what should be done in the case of the aged. One extreme is that public responsibility should be limited to a bare subsistence program for those with no income, resources, or responsible relatives. Another extreme is that all aged should be regarded as senior citizens to whom society owes substantial incomes, unaffected by their private resources. From either of these viewpoints the present social security program might be considered basically unsound. Even those who do not question the soundness of the present programs differ widely in evaluating their various aspects and the relative importance of the benefits and burdens incident to proposed changes."

Evidence of these diverging viewpoints and of the general problems facing the Ways and Means Committee is offered by the opening sentence of the report's preface: "Some 80 bills pending before the Committee . . . propose various changes in the programs of old-age and survivors insurance, unemployment compensation, old-age assistance, aid to dependent children, and aid to the blind. These include important changes in financial arrangements, requirements for receipt of benefits, computation of benefit amounts, and changes in old-age and survivors insurance contribution rates. They also include establishment of disability

payments as an extension of the insurance programs and establishment of general assistance as an extension of the Federal-State public assistance programs."

### Social Insurance Principles

Under the heading "Ultimate Development of Social Security" the report summarizes in the following words the basic issues involved in extending social security protection.

As a country becomes industrialized and urbanized, the proportion of the population completely dependent on jobs for incomes increases. When jobs disappear, or when individuals are no longer able to work at their jobs because of age, disability, or death, income ceases. Various countries have experimented with various approaches to meeting these situations. As a result, social insurance has emerged as the most acceptable method . . . In this country, social insurance in the form of unemployment compensation, old-age insurance, and survivors insurance has just completed its first decade.

In 1935, when the Social Security Act was enacted, social insurance protection was limited to retirement and unemployment, and these protections were in turn limited to wage earners most clearly identified with industry. In 1939 social insurance protection was extended to the hazard of wage loss resulting from death, but the number of wage earners protected was not significantly increased as agricultural, domestic, public, and certain other employments and self-employment still were omitted from coverage. Thus the present system remains limited both as to persons covered and as to the hazards covered. Further developments of social insurance protection in both directions would appear inevitable.

Present exclusions of employments from coverage result in loss or lack of protection for millions of individuals, including the vast numbers shifting between covered and uncovered jobs. This has made necessary qualifying requirements which result in excluding from benefits even persons who have had considerable covered employment. Thus, extension of coverage is clearly a vital step in making

<sup>1</sup> *Issues in Social Security: A Report to the House Committee on Ways and Means by the Committee's Social Security Technical Staff, 1946 (79th Cong., 1st sess.).*



social insurance a more widespread and dependable protection.

The hazards of both limited and extended disability are also so important that protection against them seems clearly indicated. In addition to providing benefits, such an extension would also afford a basis of avoiding the present loss of retirement and survivor protection resulting from absence due to sickness and disability. It would then be feasible to determine and waive such absences.

A difficult problem which social insurance must eventually face is how to continue its protection despite long-continued unemployment resulting from economic conditions. In very depressed economic areas, for example, extended unemployment may prevail among large groups of individuals who are normally in gainful employment. Present concepts and philosophy of old-age and survivors insurance would permit some reduction in present impairment of benefits resulting from unemployment. However, present unemployment compensation concepts and philosophy are such as to preclude the payment of benefits over an indefinitely extended period. In England, for example, when benefits were extended over long periods, unemployment compensation lost its original significance as social insurance. It came to be regarded, for a time at least, as a "dole." Solution of the problem of providing social insurance protection to individuals subject to long-term unemployment is a challenge of the future.

A basically difficult problem results from the failure of some to engage even normally in substantial gainful employment—the marginal workers and those whose employment may be important but is not "gainful," such as those who work as part of the family. The present systems, based on the concept of insuring against wage loss, offer these individuals protection if, and only if, they are dependents or survivors of gainful workers. Thus far no other generally acceptable theory of the basis of entitlement to, or the measure of, social insurance benefits has been evolved for this group. This problem likewise challenges future solution.

Social insurance offers a protection generally regarded as more compatible with human dignity than relief

based on need. Any person can readily appreciate the difference between receiving old-age and survivors insurance benefits, or unemployment compensation benefits, based on prior earnings with respect to which contributions have been paid, and assistance based on an investigation of his needs. The eventual limits to the number of persons who will be protected under social insurance depend on (1) the extent to which administrative and other considerations permit extension to additional contributors and (2) the extent to which a philosophically justifiable approach can be evolved for including persons and dependents of persons who retire or die with little or no employment or contributions under the system.

### Old-Age and Survivors Insurance

Part I of the report deals with Federal old-age and survivors insurance. After a discussion of the development and present provisions of the program, the report takes up in turn the specific questions of extending coverage, coverage of military service and adjustment of duplicate benefits, liberalization of benefits and addition of extended disability protection, financing, and miscellaneous provisions, such as elective coverage, voluntary annuities, and the "retirement" requirement for benefits.

The chapter on coverage discusses the basic significance of the exclusions in relation to the effectiveness of the system, the importance of extending coverage to the areas of gainful employment now excluded—self-employment, agricultural labor, domestic service, employment for nonprofit organizations, public service, and railroad employment—and the considerations involved in extending protection to each of the excluded groups. The report (pages 57–58) summarizes this chapter as follows:

1. About two out of five jobs, including self-employment, are not covered by OASI.
2. There is a high degree of shifting of workers between covered and noncovered jobs.
3. Availability of OASI benefits has been accepted as a national objective.
4. No evidence indicates either

that OASI coverage should be restricted to workers in particular occupations or that it is more needed by workers in some occupations and their families than by others.

5. All evidence points to a recognition, from the beginning, of the importance of making OASI benefits available to all as soon as a variety of difficulties could be overcome.

6. The need on the part of workers and their families of some substitute for earned income that has disappeared is independent of the source of the earned income; hence the same potential benefits should be available to all regardless of occupation or changes in occupation of the breadwinner. Otherwise, we fall in our national effort to make these benefits available to all.

7. Not only individuals and their families, but society as a whole suffers through failure of a scheme of partial coverage to furnish the protection for which it was designed.

8. All studies agree that no substitutes for OASI can produce satisfactory results in particular excepted employments because of the high degree of shifting of employees in and out of any particular employment.

9. This shifting will thwart any effort to operate parallel plans, even if the benefits of the parallel plans are identical, except at a thoroughly unjustified expenditure of time and effort in making adjustments.

10. With the prospect of the addition of other kinds of social security benefits, it seems inevitable that availability of OASI benefits must be all-inclusive if the Nation's social benefit objectives are to be attained.

11. No method has been found to apply OASI benefits comprehensively other than extension of coverage to all employments and to self-employment.

12. Staff pension plans are essential supplements to OASI benefits; they have been arranged as such on a large scale in industry. They can be arranged to advantage in all public employments and in railroad employment.

13. While a general extension of present coverage to all gainful workers will naturally involve a considerable increase in dollar costs, when costs are expressed in terms of pay roll there should be little or no initial dif-

ference and ultimately there should be a substantial decrease.

### *Liberalizing Protection*

Two distinct but interrelated aspects of liberalizing the protection afforded by the program are discussed: liberalizing the schedule of benefit amounts, and extending the program to the hazard of disability. The discussion of benefit amounts is largely in terms of their practical effects on various classes of beneficiaries, the relative importance of liberalizing various benefit levels, and the interrelation of the benefit pattern, wages, and contributions as components of a contributory system.

*Increasing benefits.*—The report outlines general considerations in the problem of benefit increase (pages 91-92) as follows:

1. Benefits are based on average wages over a period of years, and consequently lag considerably behind an annual increase in wages—or an annual decline in wages. While immediate wages and living costs are important, long-range commitments are involved in any liberalization.

2. The present average benefits in part reflect the depressing effect of limited coverage—if coverage is extended this in itself should increase benefits paid in many cases.

3. Although they will probably never return to anything like prewar levels, future wage and living-cost levels are uncertain, and consequently liberalization of the present formula should be very cautiously approached.

4. OASI benefits are at present limited to retirement and survivor benefits, but doubtless will be extended to cover the hazard of disability, and perhaps also general medical care. Any increase in present benefits should be made with the entire prospective program in mind.

5. Insofar as liberalizing benefits may affect costs of old-age assistance or aid to dependent children, liberalizing benefits based on low wages is much the most important.

6. Any liberalization which would pay substantially as large benefits to wage earners only intermittently covered as are paid those continuously covered will increase the burden on other contributors or the general taxpayer. Consequently, a strong social

justification seems required for any such liberalization, particularly where any of the resulting benefits would be at a high monthly rate. The problem would appear one to be approached primarily by extension of coverage. Other reasons for intermittent coverage, such as disability, could be taken care of appropriately as special types of cases.

7. OASI benefits were designed to afford basic social protection, and perhaps the most important consideration of all is whether present benefit amounts accomplish this purpose. If present benefits are found inadequate from this viewpoint, they will doubtless be increased. The same considerations that prompted the establishment of the system despite its burdens will doubtless govern in determinations found vital for its success.

*Extended disability benefits.*—The discussion of disability benefits deals only with the question of extending the program to include long-term disability benefits. There is no attempt to link up the discussion "with provisions for medical care, with temporary disability benefits, or even with State systems of unemployment compensation, or workmen's compensation for occupational disability. Disability is considered only in reference to a scheme of cash benefits, payable in the event of absence from work because of long-continued incapacity, and so closely integrated with the cash benefits under an old-age and survivors insurance scheme as to be a genuine part of that scheme." The report stresses that the adoption of this more limited approach to the subject of disability "does not mean that the question of what is actually the best approach has been prejudged. It merely signifies a limitation imposed in order to bring long-term disability within the restricted purview of the present study."

After a discussion of the nature, feasibility, advantages, disadvantages, and costs of such an extension, the report goes on to consider a suggested initial step—that of making extended disability benefits available only to persons above some specified age, like 55 or 60. "Though admittedly a large part of disability would not be covered, this approach would avoid some of the major administrative problems

largely associated with disability at the younger ages, and, by curtailing the possible period of benefit, would minimize the cost of doubtful awards." Such a limitation, on the other hand, "would fail to touch an area where the consequences of disability for the individual can be most serious; namely, the age groups in which dependent children are most numerous and where the need for protection lasts longest . . . Objection may also be raised to a scheme that would discriminate between the old and the young in regard to eligibility for disability benefits and in regard to the effect of periods of disability on insured status for, and the benefit level of, later death or retirement benefits. Then, too, the limited scheme would entail the establishment of many intricate procedures and techniques incident to administering a disability program, while excluding at least temporarily a very large percentage of disabled cases solely on the basis of age.

"The suggestion under consideration," the report concludes, "would therefore appear to be quite controversial. There is no royal road to a scheme of disability benefits that is not beset with substantial obstacles. However, if it is desired to adopt a policy of easing in to a disability program, the approach of limiting it to persons of advanced years would seem to offer a promising method of doing so with a minimum of initial difficulty, while acquiring valuable experience on which to base further extensions as and when they may appear feasible . . .

"That there is a definite lack of disability protection in this country for which an appropriate remedy might well be sought in some form of social insurance is generally acknowledged. The subject is a large one and merits investigation on its own right not only in relation to OASI benefits but to a scheme of health benefits as well."

### *Financing*

The chapter on financing the program discusses the principal considerations involved in fixing a schedule of taxes payable under the Federal Insurance Contributions Act. "While the financing of OASI involves certain considerations common to all public financing, there are others of impor-

tance that arise from the special purpose, nature, and history of this particular program. The actuarial task consists largely of estimating prospective benefit outlays and the returns to be expected from the pay-roll tax at various rates . . . Another aspect of the problem involves tax policy. Congress must determine the extent to which pay-roll taxes as contrasted with general taxation shall finance benefits and the particular schedule that should be adopted for this purpose. These decisions will doubtless reflect convictions regarding the building of reserves in early years through pay-roll taxes in excess of current benefits and attention to the purpose and history of the OASI system."

The concluding section of the chapter (page 122) offers the following "summary and conclusions":

1. Early pages of this report review efforts to weigh the cost of future benefits and point out that available statistics do not justify confidence in any particular estimates that reach many years in the future.

2. All calculations verify expectations that the cost of benefits will, in the course of years, increase to many times its present size.

3. The increase in benefit costs of the present plan will be fairly gradual but there will doubtless be irregularities, now unpredictable, in size and timing.

4. To be satisfactory socially and economically, pay-roll taxes to support old-age and survivors benefits:

- (a) Should pay a substantial part of the cost;

- (b) Should contemplate only scheduled changes in tax rate and these should be at regular intervals and smoothly graded;

- (c) Should build up only a modest contingency reserve.

5. A schedule of taxes such as outlined in the preceding paragraph should contemplate support from general revenues when benefits for a particular year exceed the taxes and interest on reserve for that year; the excess might be shared by the contingency reserve and general revenue, but there is nothing vital about such a division.

6. Perhaps the possible harmful effects of (a) further growth of the trust fund and (b) failure to increase

the tax rate according to a previously adopted schedule have both been over-emphasized. In any case, congressional acceptance of a policy that it might hope to follow for a good many years would be of value.

7. Any possible harm from a growing trust fund is probably more acceptable than an unscheduled increase in tax rate during a period of depression.

8. A "frozen" tax rate has probably been more acceptable to the American people than would have been a still more rapidly growing reserve fund during a period of totally unexpectedly low benefit payments while the plan was just getting under way.

9. There is no reason to expect dire consequences from either a modest increase in tax rate or from continuation for a while of the present rate.

10. The concluding suggestion is an increase in tax rate of employer and employee alike of one-half of 1 percent every 10 years, beginning with 1947, until a 3-percent rate is reached in 1977. This suggestion is for OASI benefits as at present, but with the expectation that coverage will be widely extended to presently uncovered employees.

## Public Assistance

The discussion of public assistance, in part II of the report, relates to the principal problems which have arisen in the Federal-State programs and the various proposals which have been made for changing the extent and conditions of Federal financial participation. It reviews the "limitations under existing Federal law (a) in meeting needs which exceed maximums that will be matched, with special reference to medical care; and (b) in correcting the disparity among States in the levels of public assistance payments when caused by the varying financial ability of the States; together with proposals for modifying these limitations." Extension of Federal financial participation to additional groups of needy persons is also considered.

### More Nearly Adequate Aid

The Social Security Act imposes a dual limitation on the amount of Fed-

eral funds that can be advanced the States for the care of dependent children and the needy aged and blind. Individual payments may not exceed specified maximums, and the Federal contribution cannot be more than half the individual payment within these maximums. The effects of these limitations, and proposals for their liberalization, are summarized (pages 294-295) as follows:

Under the present provisions of the Social Security Act there are areas of inadequate assistance which differ among States and, under present State arrangements, among counties within States according to the ability or willingness of the States and localities to provide assistance. Part of this inadequacy and variation in assistance results from limitations of the Social Security Act.

Inadequacies of assistance tend to be greatest in States and counties with the least fiscal ability. The comparative inadequacy of grants and services in such places cannot be shown to be closely related to differences in cost of living, though, to some degree, they may be related to different standards of living as affected by lower per capita income. These variations cannot be explained by less fiscal effort in these States and counties, since they tend to raise more revenue in relation to their taxable wealth and to spend a greater proportion of their revenue for assistance and other public services than the States with higher-than-average per capita income.

Three kinds of changes in the Social Security Act would greatly reduce the present extreme variation in meeting needs of public assistance recipients. The first is the amendment of the provisions for Federal grants so that full matching would be available for payments for medical care. This would encourage a flexible program for medical care adapted to the individual need of recipients and administered by such methods as seemed most feasible in the particular State or locality.

Such a program of medical care can be operated at present only by States or localities with adequate funds because medical care for which there is Federal matching is limited to that which can be purchased by the recipient within the limits of the monthly



payment of \$40 for an aged or blind person or lower amounts in the case of children. Because medical costs are unpredictable and high, medical care limited by these maximums is inadequate. Complete removal of costs of medical care from established maximums or elimination of maximums from Federal grants, or change of the limitations from an individual to average payment basis, would encourage more adequate State programs.

Maximums on individual payments in general result in comparatively adequate assistance to persons with small needs but inadequate assistance to persons with large needs. Some recipients, particularly those under the program of aid to dependent children, have needs above the maximums.

Elimination of maximums would result in Federal matching on the entire amount paid by the States. Maximums based on average grants of \$40 or more per person would have about the same effect in most States, since small grants would balance out the large ones and all payments would be fully matched. Such a maximum based on average rather than individual grants-in-aid to dependent children would, of course, be more liberal and, in fact, more realistic, if the needy parents or persons acting as parents are included as recipients.

If the individual State or locality is unable to meet its share of the assistance needed by recipients, liberalizing the amounts which the Federal Government will match will not increase payments. The level of State or local ability will still determine the level of assistance. Provision of adequate assistance in States with low fiscal ability can be achieved only by variable grants by the Federal Government to States and in turn by States to the localities. One method of varying Federal grants would adjust Federal participation to per capita income so as to increase the Federal portion of the cost of assistance in States with below-average per capita income.

#### *Extension of Aid*

In addition to the inadequacies considered above, other inequities result from the restriction of the assistance programs under the Social Security Act to particular groups—the aged,

the blind, and children whose need arises from certain specified conditions—and various restrictions on eligibility under State laws. Inadequacy of the program in these areas is outlined on pages 312 and 313.

The present limitations of coverage not only leave many needy persons unprotected, but in excluding them require otherwise unnecessary administrative expense. Considerable administrative effort and unproductive expense are incurred in determining length of residence or place of settlement. The establishment of absence or incapacity of the parent in aid to dependent children requires considerable administrative investigation to determine eligibility. Any failure to cover all needy children endangers the health of the oncoming generation.

Establishment of a new title under the Social Security Act to provide assistance to unaided groups, if established without limitation as to residence or settlement, would cover all need. Any such title should include the provisions previously discussed in relation to adequacy of grants, if it is to be fully effective.

If no provision is made for Federal matching under general assistance, it is even more necessary than it would otherwise be that adjustments be made in relation to residence requirements and coverage under aid to dependent children. Even though provision is made for Federal matching in general assistance, the other suggested changes in the Social Security Act would be desirable because they would encourage States to choose the most effective provisions and would also permit elimination of special administrative determinations in respect to eligibility.

Aid to dependent children now fails to assist many needy children. Moreover, it provides for the child without due consideration of the parent or other persons necessary to the welfare of the child's family. Aid to dependent children should be expanded if it is to be an effective complement to old-age and survivors insurance. Such expansion should provide for meeting need due to any absence of a parent and any incapacity, whether permanent or temporary. Complete coverage would require provision for children in any family home and elim-

ination of school attendance as a requirement for children aged 16 and 17 years.

Residence as a condition of eligibility leaves certain needy persons in "no man's land." Several methods have been proposed to eliminate this inadequacy, but the only complete answer, administratively as well as from the standpoint of coverage, is the elimination of all requirements related to length of residence. Although adequate coverage would be provided by Federal matching in a general assistance program from which residence requirements are eliminated, the failure to eliminate this requirement from the special assistance programs would leave the problem of administrative determination of residence.

Certain other proposals would exempt set amounts of earned income from consideration in determination of need. Such exemptions are contrary to the concept of assistance related to need and in logical conclusion would lead to a pension rather than an assistance program.

All need could be covered by expansion of the Social Security Act to include a general assistance program based upon a need requirement only. Expansion of aid to dependent children to include all dependent children and elimination of residence requirements from all programs would provide a flexible medium for assistance under which the States could select the most suitable assistance provisions.

#### **Unemployment Compensation**

After an opening chapter which includes an examination of the purposes which the unemployment insurance program is intended to serve, part III of the report goes on to consider, in turn, (1) the benefit structures provided under the State laws, analyzing various suggestions for Federal action to modify State benefit structures within the framework of the existing Federal-State system; (2) coverage under the present laws, with a review of the principal factors in extending protection to workers not now covered, the bases and practical effects of such exclusions, and the considerations involved in modifying or eliminating them; (3) the present arrangements for financing the pro-

gram—both as to administrative costs and benefit costs—with an examination of the possible alternatives and an evaluation of the consequences that would follow modifications of the existing arrangements; and (4) issues in unemployment compensation, which includes (pages 450–452) the following material on the relationship of the national interest as now conceived to exist in unemployment compensation to the broad issue of increasing or decreasing Federal participation in this program.

### *The National Interest in Unemployment Compensation*

Prior to the advent of the depression of the thirties, assistance for the unemployed was considered generally to be a responsibility of local government. State governments, to say nothing of the Federal Government, were not deemed to have an interest in the problem. Even as late as 1931 only four States provided any aid to the unemployed.

As, however, unemployment climbed from an estimated 1.5 millions in 1929 to 4.2 millions in 1930, to 7.9 millions in 1931, to 11.9 millions in 1932, and to 12.6 millions in 1933, prevailing concepts of governmental responsibility underwent change. The States generally were forced to accept some responsibility for the unemployed. Then, as the problem grew beyond their capacity to handle it, the States and localities turned to the Federal Government.

The Federal Government appeared reluctant to recognize a national interest in aid to the unemployed, but finally such recognition was given. The first step was taken when the Congress, in July 1932, appropriated \$300 million for loans to States and localities for use in meeting the relief problem. The loans were to be repaid through deductions from grants for highway purposes, but they were canceled by the Congress in 1933.

Since 1932 the national interest in the problem of unemployment has manifested itself in widely different programs. Beginning in May 1933, with an appropriation of \$500 million to be used in making direct grants to the States for emergency relief, the Federal Government subsequently spent millions of dollars in Federal funds through the Federal Emergency

Relief Administration for this purpose. In November 1933 the President established the Civil Works Administration, which spent huge sums on a works program for the unemployed in the winter of 1933–34. This program was terminated in July 1934, and primary responsibility for providing Federal aid for the unemployed was again assumed by the Federal Emergency Relief Administration. In May 1935 the Works Progress Administration was established for the purpose of operating work programs for the unemployed, and grants to States for unemployment relief were discontinued. Other programs were established for special groups. The Civilian Conservation Corps, established in 1933, and the National Youth Administration, established by Executive order on June 26, 1935, were designed to assist unemployed youths. Programs for needy farm families were begun by the Federal Emergency Relief Administration and carried on subsequently by other agencies.

By the middle of 1943 the emergency programs established during the thirties had been discontinued. In the meantime, however, the national long-range interest in providing for the unemployed had been expressed in the unemployment compensation provisions of the Social Security Act, passed in 1935. Later, in 1938, a special Federal system of unemployment insurance was established for railroad workers. In 1944 the Congress expressed the national interest in the unemployment of another special group—the veterans of World War II. This last expression of national interest took the form of a provision for readjustment allowances, at Federal expense, for veterans who are unemployed or who fail to earn as much as \$100 per month in self-employment.

The foregoing indicates the extent to which the Congress has recognized unemployment to be of national concern. It has supported that recognition with billions of dollars for various programs providing emergency relief or work for the unemployed. It has made an important long-range attack on the problem of providing income for the involuntarily unemployed through the unemployment compensation provisions of the Social Security Act. The effectiveness of this attack will substantially affect the

extent to which the Congress may be called upon for work relief and other emergency programs in the future. Thus it is of national concern that the Federal-State unemployment compensation programs for providing income to the unemployed shall be effective systems.

The initial establishment of unemployment compensation programs is principally attributable to Federal action taken at a time when large relief expenditures were being made. Up to 1935, the year in which the Social Security Act became law, the efforts of the States to establish unemployment compensation programs had been almost completely ineffective. Only one State, Wisconsin, had enacted an unemployment compensation law. Judging from experience with other types of social legislation, it seems fair to conclude that, without the Social Security Act, many States would not now have unemployment compensation laws. Although the Social Security Act did not, in specific terms, require States to enact unemployment compensation laws, it was intended to encourage them to do so, and its tax-offset provisions might be described as compelling.

National interest in unemployment compensation thus inspired Federal action which has resulted in an unemployment compensation program in every State. The Federal action was, of course, designed to achieve a result—not the mere enactment of State laws, but the creation of a mechanism to aid in solving the problem of unemployment.

The Federal tax coverage in effect insured that certain broad groups would be protected. The connotations of the term "unemployment compensation" prescribed the general approach in providing this protection, as did the requirement of making payments through public employment offices. Beyond this, and some guaranty against misuse of the systems, the development of the programs was left to the States. Thus the amount and duration of benefits, their relationship to past wages, and other matters which determine the effectiveness of the program's attack on the problem of unemployment have been left to State decision.

The question now arises as to whether the national interest in un-

employment compensation requires Federal action beyond the limits established in existing law. The Congress is basically responsible for the imposition of the taxes collected under State unemployment compensation laws. Are the conditions imposed for the receipt of benefits and the amounts payable from the proceeds

of these taxes such as to be consistent with the national interest in effective unemployment compensation systems? The benefit structures in the various State programs differ greatly—as to weekly amounts, duration, conditions required to qualify for benefits, and as to reasons for and severity of disqualifications from benefits. The

question is whether the resulting protection is nevertheless such that the national interest in unemployment compensation is reasonably satisfied, or whether there are some limitations on benefits so pronounced as to require Federal action in this area, which has heretofore been left largely to State action.

## Postwar Economic Perspectives

### III. Prewar Experience: Production and Consumption

By W. S. Woytinsky\*

*This article continues the analysis begun in the January Bulletin of economic conditions that may reasonably be anticipated after the war in the light of actual prewar experience. Like Mr. Woytinsky's preceding articles, it results from a comprehensive study of the setting for planning measures for social security. Expressions of opinion, as in all Bulletin articles, reflect the views of the author and do not necessarily represent official conclusions of the Social Security Board.*

PROJECTION of prewar experience in the preceding article led to the conclusion that full employment in 1950 would require 55.5 million year-round civilian jobs, including employment by Federal, State, and local governments, as compared with 46.5 million in 1940. In terms of man-years of work, the required increase from the number in 1940 is almost 20 percent. The increase in man-hours worked would be somewhat less, probably not more than 16 percent, if account is taken of the trend toward a shorter workweek and more extensive provision of paid vacations. What changes in production and consumption in the United States would accord with such a rise in the level of employment?

#### Postwar National Product as Compared With 1940

##### Changes in Volume of Production

To estimate the hypothetical volume of production in 1950 as compared with 1940, definite assumptions

must be made on change in the productivity of labor.

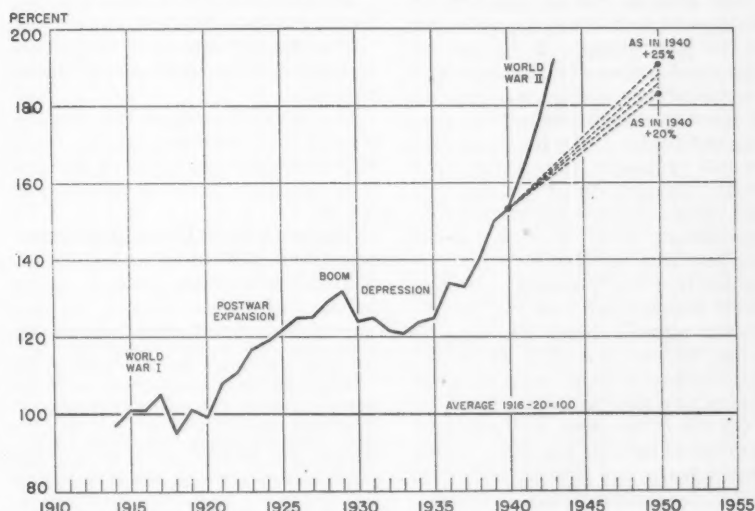
Chart I shows variations in real per capita output of goods and services in the 30 years 1914-43, computed as follows: the gross national product for each year, expressed in dollars at 1940

prices, has been divided by the number of persons in employment in that year, and the average for 1916-20 is used as the base (=100) to develop an index.

Since postwar economic conditions in the United States will differ greatly from those during the war and will be more like those in the last prewar years, the probable productivity of labor in 1950 may be estimated in relation to the prewar pattern in, say, 1940 rather than in the war years. It seems reasonable to expect that the rate of increase in per capita output from 1940 to 1950 will be similar to that from 1915 to 1925 or through any other decade that includes the last war. The average increase over the decades ending with each of the years 1924 to 1930 was 26.7 percent. It is likely that the increase from 1940 to 1950 will be somewhat less spectacular.

Although the war economy has

Chart 1.—Variations in real per capita output of goods and services,<sup>1</sup> 1914-43



<sup>1</sup> Gross national product in a year (expressed in dollars at 1940 prices) divided by number of employed persons in that year.

\*Principal Consulting Economist, Bureau of Employment Security. The preceding articles in the series appeared in the issues for December 1945 (pp. 18-29) and January 1946 (pp. 8-16).



probably accelerated economic progress by introducing new methods of production and improving industrial organization, these changes may not become apparent for several years, as was the case after the last war, and not all the technical achievements of the war economy will be of future use. It may be advisable, for example, to discount somewhat the importance of synthetic rubber, glass fiber, plastics, refrigeration, and dehydration in considering over-all output per man-hour after the war. On the other hand, one cannot disregard the progress in metallurgy and chemistry and new production methods which have been used for turning out tanks, airplanes, and liberty ships but are also applicable to prefabricated housing. In brief, it is conservative to assume that the over-all output per man-hour will increase 20 to 25 percent from 1940 to 1950, as compared with an average rise of 26.7 percent through the decades including World War I.

In combination with a rise of approximately 16 percent in the weekly number of man-hours worked, a rise of 20 to 25 percent in output per man-hour would result in an increase of from 40 to 45 percent in the total output of goods and services in 1950 as compared with that in 1940.

#### *Changes in the Level of Consumption*

The general level of consumption would not rise in the same proportion as the total output. A part of any additional output will be absorbed by expenditures related to the liquidation of the war—hospitalization of veterans, and the like. The increase in the amount available for private use, which includes direct consumption and private capital formation, might approximate 35 to 40 percent under the described conditions. Thus, assuming that the relationship between direct consumption and capital formation remains about the same as before the war, from 35 to 40 percent more consumer goods would be available in 1950 than in 1940.

On the other hand, it is generally anticipated that the population in the United States will increase from 1940 to 1950 by approximately 10 percent. In view of the declining average size of family, the number of households in the Nation will rise at a higher

rate; the Bureau of the Census estimates 14.3 percent, which would result in 39.9 million private families in 1950 as compared with 34.9 million in 1940. With this increase in population and in the number of consumer units, the rise in the output of goods and services would be 25–30 percent per capita or 20–25 percent per family.

#### *Changes in the Gross National Product*

In 1940, the gross national product of the United States—that is, the value of all goods and services produced in the Nation, at market prices—amounted to \$97 billion, including services of men in the armed forces, or to \$96.4 billion if such services are not counted. If the national product, excluding services of the armed forces, is from 40 to 45 percent—say, about 43 percent—higher in 1950, it would amount to \$138 billion at 1940 prices. Assuming an additional \$4 billion for the armed forces, the total gross national product in 1950 would reach \$142 billion at 1940 prices, \$150 billion at 1941 prices, or \$180 billion, in round numbers, at 1944 prices. This dollar amount, of course, would be further increased by a post-war rise in price levels.<sup>1</sup>

To sum up, under the conditions indicated above the corollaries of full employment in 1950 are that:

Demand for labor, in terms of man-hours, increases about 16 percent;

The physical volume of production of goods and services increases 40–45 percent;

Production of goods and services for general consumption increases from 25 to 30 percent per capita of population, and from 20 to 25 percent per family;

The gross national product in 1950 amounts to \$150 billion at 1941 prices or \$180 billion at 1944 prices.

<sup>1</sup> This projection of gross national income for 1950 follows essentially the estimate presented by the author in "Techniques of Income Projection," in National Industrial Conference Board, *Measuring and Projecting National Income*, pp. 5–9 (Studies in Business Policy, No. 5). The estimate is lower than the projections for 1947 and 1948 developed in the author's "Economic Perspectives, 1943–48," Social Security Board, Bureau of Research and Statistics (Memorandum No. 52), chiefly because of different assumptions as to the level of prices.

#### *National Budget for Full Employment*

Prewar experience shows that the volume of production—and consequently the level of employment—is bound to decline unless outlets for goods and services are sufficient for full utilization of the Nation's labor force and technical resources. In 1940, for example, the United States had a gross national product of \$97 billion and average unemployment of 7.4 million. With full employment, allowing 2.5 million for frictional unemployment, the gross national product would have approached \$107 billion in that year. In other words, in 1940 we were 5 million jobs short of full employment and \$10 billion short of the national product associated with that level of economic activity. Since our economic system was not fully utilized when full employment corresponded to a gross national product of \$113 billion at 1941 prices, what is the chance of achieving full employment in 1950 when that level of activity will presuppose a national product of \$150 billion at the same prices?

#### *Our Capacity to Consume*

Robert R. Nathan has stated effectively the view of some economists that current purchasing power would not be sufficient to absorb the goods and services the Nation would produce at the full-employment level: "An analysis during the decade of the 20's and during previous periods of relative prosperity indicates that total savings tend to average approximately 20 percent of the gross national product in good times . . . Let us assume that a level of \$150 billion per year is accepted as reasonably attainable for the first few years after the war. If the old prewar relationship prevails, then there will be a tendency for individuals to spend about \$120 billion for consumption, and for individuals and business enterprises to save about \$30 billion per year."<sup>2</sup>

Of the total gross national product, Mr. Nathan continues, goods and services representing \$120 billion "will be purchased directly and immediately by consumers out of their income.

<sup>2</sup> Nathan, Robert R., *Mobilizing for Abundance*, 1944, p. 65.

The \$30 billion of income saved must be used or offset by other expenditures if the residual \$30 billion of goods and services are to be sold. If offsets to savings are less than \$30 billion, then total demand in goods and services will be less than the supply, resulting in unsold inventories or in depressed prices and business losses, which in turn will discourage further production."<sup>3</sup>

Since savings of about \$30 billion a year could not be fully absorbed by productive investments, full employment, in Mr. Nathan's opinion, would require special devices to offset the excess of savings over private investments. He declares that the problem would be solved if exports of the United States exceeded imports by \$5 billion a year and if Government spent an additional \$15 billion a year obtained from savings through taxation or borrowing.<sup>4</sup>

Once accepted as a means for balancing the national budget, a policy of exports "with limited prospect for early repayment" could, in the opinion of this writer, hardly be abandoned. The growth of the national product would make it necessary to keep increasing the export of surplus products that could not be disposed of in the domestic market. Likewise it would be difficult or impossible to reduce the volume of public works launched to absorb surplus products. After the most useful projects were completed, it would be necessary to undertake less promising projects—almost anything would appear preferable to mass unemployment. There would be no way to stop deficit spending or slow down the rate of growth, for such steps would cause "prosperity" to collapse.

If the philosophy of spending and dumping surplus products were the only alternative to mass unemployment, the chance of achieving full employment would be rather slim. Fortunately, this philosophy rests on the assumption that gross savings made out of a gross national product of \$150 billion would not be absorbed by productive investments.

This danger is, however, rather remote. If the old prewar relationship

prevails, \$30 billion put aside by individuals and business enterprises in 1950 will include, in addition to net savings, capital charges such as the maintenance cost of industrial installations, houses, and the like. In fact, capital charges are included in the prices of goods and services produced and are therefore listed in the aggregate gross national product but do not appear in current incomes of employees or employers. This item averaged 11 percent of gross national product in the 20-year period from 1919 to 1938 and would amount to \$16.5 billion in 1950 if the same ratio were applied to a gross national product of \$150 billion in that year. This would leave \$13.5 billion for net savings of individuals and business enterprises, and the problem of equilibrium between production and consumption would be reduced to the question whether this amount might be absorbed by net capital formation including net private investments in industrial plants, building up of inventories, and housing construction.

This question is answered by the experience after World War I, when net capital formation varied as follows:<sup>5</sup>

Year	Net capital formation (in billions)	Formation in percent of gross national product
1919	10.3	14.2
1920	11.4	13.5
1921	3.3	4.9
1922	4.5	6.6
1923	8.6	10.8
1924	5.9	7.4
1925	9.3	11.0
1926	9.2	10.2
1927	8.2	9.2
1928	7.4	8.1
1929	10.0	10.3

Excluding the depression period of 1921-22, after World War I the net capital formation averaged \$8.9 billion annually or more than 9 percent of the gross national product. If the same relationship prevails after World War II, net capital formation in 1950 would absorb somewhat more than \$13.5 billion, leaving no gap whatsoever between the supply of goods and services and the demand for them.

<sup>5</sup> Kuznets, Simon, *National Income and Its Composition, 1919-1938, 1941*, Vol. I, p. 269.

Moreover, the preceding reasoning is very rough and implies a considerable margin of error. There is no evidence that the pattern of gross savings (including capital charges) after this war will be the same as in the 1920's. It is fairly possible, for example, that business reserves, which constitute a large part of the gap between gross national product and national income, will be considerably less than \$16.5 billion in 1950. Assuming that they drop to \$9 billion<sup>6</sup> while the ratio of net savings by individuals and business enterprises to gross national product remains the same as in the 1920's, gross savings would total \$22.5 billion leaving \$127.5 billion for consumer expenditures. The last amount may be further increased if consumers divert to current expenditures even a small fraction of their reserves accumulated during the war.<sup>7</sup>

To sum up, neither the prewar experience nor the probable deviations from the prewar relationships in saving and spending indicate the danger of a collapse of the full-employment economy because of lack of outlets for goods and services.

### *The "Gap" in the National Budget*

Although there appears to be no reason to anticipate a \$15 billion gap between current purchasing power and the output of goods and services at a full-employment level of the postwar economy, the threat of even a small "deficiency" should be considered. This danger has been analyzed systematically by the National Planning Association in its report, *National Budgets for Full Employment*.

The basic "national budget" developed in that report applies to a hypothetical gross national product of \$170 billion, at 1941 prices, in the year 195x. To show that the conclusions of the report do not depend on any specific assumption on the size of national product, the report also offers alternative projections of \$150 billion and \$130 billion. For practical purposes the date 195x in all the projections stands for 1950.

The "national budgets" given in the

<sup>6</sup> See line 3, tables 1 and 3.

<sup>7</sup> See line 11-a, table 3.

<sup>3</sup> Ibid., p. 66.

<sup>4</sup> Ibid., pp. 180 and 206.

report follow essentially the pattern of "disposition of national income" used by the Department of Commerce and are arranged to emphasize the relationship between the output of consumer goods and services and consumer demand. A set of alternative "models" has been developed. The first model shows that the economic system would be badly out of balance if wartime taxes remained in force and the Government had an \$18 billion surplus in receipts over expenditures. Rejecting this model, the Association proposes a more realistic alternative described as the "adjusted-gap" model and reproduced in table 1. This model shows a deficiency of \$8.5 billion in consumer demand when gross national product amounts to \$170 billion and \$7.5 billion or \$5.6 billion, respectively, when the gross national product is \$150 billion or \$130 billion. Gaps of this magnitude would necessarily produce mass unemployment and contraction of economic activities.

"The trouble is," the report declares, "that if past relationships continue, the incomes that are derived by producing the estimated total national product will not generate enough actual expenditures to justify the product. . . . Since the fatal defect is that expenditures are too low, the remedy is to increase expenditures in one or more of the three categories—Individuals, Business, and Government."<sup>8</sup> Three alternative models without a deficiency are offered in the report: the "Government" model which provides for current deficit financing and heavy capital outlays by the Government; the "Business" model in which the gap is closed by increased investments by private business and to some extent by Government expenditures, but without deficit spending; and the "Standard of Living" model in which individual savings are cut down, consumer demand for goods and services is raised, and higher outlays are also envisaged for Government and Business. A summary of these proposals, at the \$150 billion level of gross national product, is given in table 2.

<sup>8</sup> National Planning Association, *National Budgets for Full Employment*, April 1945, p. 34 (Planning Pamphlets, Nos. 43 and 44).

Table 1.—National budgets in 1950, at different levels, according to the National Planning Association

[In billions, at 1941 prices]

Item	Gross national product		
	\$170.0	\$150.0	\$130.0
A. Income from gross national product:			
1. Total income.....	170.0	150.0	130.0
2. Deduct: Business tax and nontax liabilities.....	12.5	11.8	11.1
3. Deduct: Business reserves, etc.....	9.5	9.0	8.5
4. Equals: Net national income.....	148.0	129.2	110.4
5. Deduct: Corporate undivided profits.....	2.5	2.3	1.9
6. Deduct: Contributions to social insurance funds.....	3.9	3.4	2.9
7. Add: Government transfer payments.....	4.3	4.0	3.9
8. Equals: Income payments to individuals.....	145.9	127.5	109.5
9. Deduct: Personal tax and nontax payments.....	13.5	13.5	11.6
10. Equals: Disposable income of individuals.....	130.4	114.0	97.9
11. Deduct: Savings of individuals.....	16.3	13.5	10.7
12. Equals: Individuals' demand for goods and services.....	114.1	100.5	87.2
B. Expenditures for gross national product:			
13. Total expenditures.....	170.0	150.0	130.0
14. Deduct: Government share <sup>1</sup> .....	25.4	23.0	21.0
15. Deduct: Business share <sup>2</sup> .....	22.0	19.0	16.2
16. Remainder: Goods and services that must be bought by individuals.....	122.6	108.0	92.8
17. Deficiency of income (16 minus 12).....	8.5	7.5	5.6

<sup>1</sup> Government's share in gross national product is determined as follows: line 2, plus line 6, minus line 7, plus line 9, minus hypothetical surplus of receipts over expenditures (\$3.2 billion, \$1.7 billion, and \$0.7 billion, respectively).

<sup>2</sup> Business share or private capital formation

includes business reserves (line 3) and net investments.

Source: National Planning Association, *National Budgets for Full Employment* (Planning Pamphlets Nos. 43 and 44), pp. 32, 93, 94; projections here reproduced in abbreviated form.

To ensure full employment in the future, according to the National Planning Association report, it will be necessary to take steps that "will do one or more of the following things: (a) increase expenditures by Government or further reduce taxation while maintaining desirable expenditures, (b) increase business expenditures for private investment, (c) increase expenditures relative to incomes by individuals as consumers. . . ."

" . . . There seems to be no escape from these conclusions. If Business is to operate at moderate levels of expenditure for its own capital account, and if Government expenditures are to remain moderately low relative to the total economy, and if the Government budget is to be balanced, then consumers' expenditures must go up or full employment will not be reached or maintained. Consumers' expenditures will not go up unless the past spending and saving patterns of Individuals shift toward higher expenditures for consumption, or unless an increasing number of people in the lower income groups become larger

consumers and better customers—through higher wages and salaries or through lower prices, or both."<sup>10</sup>

The last conclusion is in full accord with the statement in the third report of the Director of War Mobilization and Reconversion: "The American people are in the pleasant predicament of having to learn to live . . . better than they have ever lived before."<sup>11</sup> It also agrees with the conclusion drawn earlier in this article that full employment in 1950 implies an increase in consumption per capita and per family. A rising standard of living would also reflect the prewar trend in the disposition of the gross national product.

On the contrary, the distribution of the gross national income postulated in table 1 (the "gap" model in table 2), with its huge deficiency in expenditures, is not in harmony with prewar experience. It assumes, for example, that the Federal Government will collect in taxes \$1.7 billion more than it needs for current expendi-

<sup>10</sup> *Ibid.*, p. 53.

<sup>11</sup> U. S. Office of War Mobilization and Reconversion, *The Road to Tokyo and Beyond*, July 1, 1945, p. 57.

<sup>9</sup> *Ibid.*, p. 52.



Table 2.—*Alternative national budgets in 1950, at the level of \$150 billion, according to the National Planning Association*

[In billions, at 1941 prices]

Item	"Gap" model	"Government" model	"Business" model	"Standard of living" model
A. Income from gross national product:				
1. Total income.....	\$150.0	\$150.0	\$150.0	\$150.0
Items 2 through 9.....		As in Table 1		
10. Disposable income of individuals.....	114.0	114.0	114.0	114.0
11. Deduct: Savings of individuals.....	13.5	13.5	13.5	9.7
12. Equals: Individuals' demand for goods and services.....	100.5	100.5	100.5	104.3
B. Expenditures for gross national product:				
13. Total expenditures.....	150.0	150.0	150.0	150.0
14. Deduct: Government share.....	23.0	30.5	24.7	24.7
15. Deduct: Business share.....	19.0	19.0	24.8	21.0
16. Remainder: Goods and services that must be bought by individuals.....	108.0	100.5	100.5	104.3
17. Deficiency of income (16 minus 12).....	7.5	0	0	0
18. Balance of Federal budget: surplus of receipts (+) or expenditures (-).....	+1.7	-5.8	0	0

Source: National Planning Association, *National Budgets for Full Employment* (Planning Pamphlets Nos. 43 and 44), p. 93.

tures.<sup>12</sup> A balanced Federal budget would narrow the hypothetical "gap" from \$7.5 billion to \$5.8 billion. It would be further narrowed if savings of individuals are estimated at less than \$13.5 billion. The estimate in the model is based on a mathematical formula proposed by Louis Paradiso which assumes that the rate of savings increases with the rise in disposable income of individuals.<sup>13</sup> Under this formula, savings in 1950 would amount to 11.1 percent if the gross national product is \$100 billion, to 4.8 percent if it is \$50 billion, and to 14.1 percent if it is \$200 billion. Experience, however, fails to support this

relationship: such increases in the rate of savings, paralleling the growth in the gross national product, did not occur in the past and there is no reason to expect them in the future.

It is true that the Consumer Purchases Study, based on a survey in 1935-36, and other surveys have shown that the ratio of savings to income rises rapidly with the increase in income at the upper end of the frequency distribution of consumers by income. A rise in the rate of savings in all income classes and therefore in the Nation as a whole would, however, not necessarily follow a rise in the gross national product and in the average standard of living. In fact, use of income by consumers depends not only on earnings but also on occupation and educational background, manner of living, environment, and the like.

A definition of "rich" and "poor" cannot be expressed in terms of dollars. As long as the relative distribution of income in the Nation remains stable—in accordance with the Pareto law—the lowest 25 percent of consumers remain the poor of the Nation, and it is fairly probable that they will not save as a group, whether their annual income averages \$250, \$500, or \$750. In the long run, it is not clear whether the middle and upper income classes will increase or curtail their rate of saving as the level of welfare in the Nation rises. It appears, however,

plausible that the rich will have the lion's share of savings, at any stage of economic development, and will put aside about the same part of their income.

This theory is supported by studies recently made by the U. S. Bureau of Labor Statistics.<sup>14</sup> It is indirectly supported also by the fact that in the past, when this country was not as rich as it is now, the Nation as a whole saved about the same fraction of its current earnings. If the opposite theory were true and the rate of saving were determined by, say, the third formula given in footnote 13, no savings would be possible in the United States as long as the disposable income was less than \$35.5 billion or gross national product was less than \$50 billion. Contrary to this assumption, the rate of savings in the United States in the middle of the nineteenth century was about as high as in the 1920's.

The formula used by the National Planning Association for the relationship between consumer expenditures (or savings) and disposable income was deduced according to a conventional mathematical technique from the available statistics for the years 1923-40. Unfortunately, correction was not made for changes in the price level, and prosperous years were not segregated from depression years, when savings dwindled to nearly zero. These omissions are important enough to vitiate the formula. In fact, as far as prewar relationships cast light on the probable behavior of consumers under conditions of full employment after the war, deductions should be based on observations in comparatively prosperous years when employment was on a high level. If the results of observation are to be applied to hypothetical national income expressed in dollars with a constant purchasing power, the statistics used as the basis of observation should be expressed likewise in dollars at constant prices.<sup>15</sup> A formula which meets these

<sup>12</sup>At the level of \$150 billion gross national product, this model assumes business taxes of \$11.8 billion, personal taxes of \$13.5 billion, and contributions of \$3.4 billion to social security funds—a total of \$28.7 billion. On the other hand, Government expenditures are assumed to be \$23.0 billion and transfer payments, \$4.0 billion. The net balance is \$1.7 billion more in collections than in outlays.

<sup>13</sup>This formula reads  

$$Y = 6.5 + 0.04 (\text{year} - 1935) + 0.828X \quad (1)$$
 where Y stands for expenditures and X for disposable income.

For 1950 this formula gives  

$$Y = 6.1 + 0.828 X \quad (2)$$

Savings (S) are measured as the difference between disposable income (X) and expenditures (Y) so that

$$S = 0.172 X - 6.1 \quad (3)$$

which implies that with the rise of disposable income only 82.8 percent of the increment will be spent by consumers and 17.2 percent will be set aside as savings.

<sup>14</sup>Brady, Dorothy S., and Friedman, Rose D., paper on Savings and the Income Distribution, presented at the annual meeting of the Conference on Research in Income and Wealth, November 1945.

<sup>15</sup>See Woytinsky, W. S., "Relationship Between Consumers' Expenditures, Savings, and Disposable Income," *Review of Economic Statistics*, February 1946.

Table 3.—National budget in 1950 at the level of full employment, according to the projections of this article

[In billions, at 1941 prices]

Item	Amount
<b>A. Income from gross national product:</b>	
1. Total income.....	\$150.0
2. Deduct: Business tax and nontax liabilities.....	11.8
3. Deduct: Business reserves, etc.....	9.0
4. Equals: Net national income.....	129.2
5. Deduct: Corporate undivided profits.....	2.3
6. Deduct: Contributions to social insurance funds.....	3.4
7. Add: Government transfer payments.....	5.0
8. Equals: Income payments to individuals.....	128.5
9. Deduct: Personal tax and nontax payments.....	13.5
10. Equals: Disposable income of individuals.....	115.0
11. Deduct: Savings of individuals.....	9.9
11a. Add: Spending of war savings.....	4.0
12. Equals: Individuals' demand for goods and services.....	109.1
<b>B. Expenditures for gross national product:</b>	
13. Total expenditures.....	150.0
14. Deduct: Government share.....	23.7
15. Deduct: Business share.....	19.0
16. Remainder: Goods and services that must be bought by individuals.....	107.3
17. Deficiency of supply (12 minus 16).....	1.8

conditions<sup>16</sup> would indicate for disposable income of \$114 billion (item 10, table 2) savings amounting to \$9.9 billion, almost exactly the amount suggested in the "Standard of Living" model. Thus, without changing the prewar relationships of the various factors, the deficiency in the national budget would be narrowed to \$1.8 billion. A deficiency of this magnitude falls within the margin of error of the computation. It might be caused by understatement of business share in expenditures (item 15, table 1) or the Government share (item 14) or both, and the danger of such a "gap" might be checked by liquidation of a small part of war savings or otherwise without substantial deviation from the prewar pattern of the disposition of the national product.

The conclusion seems inescapable that the impressive deficiency in the "gap" models rests on dubious mathematics rather than on prewar experience.

### The Double Danger

The preceding analysis does not imply that a national budget of \$150 billion in 1950 would necessarily be in balance. Deflationary and inflationary dislocations might develop at this

or any other level of economic activity. Moreover, inflationary pressure in certain sectors of the economic system and certain areas does not preclude deflationary dislocation in other sectors of the economy. It appears, however, that for the United States as a whole the danger of inflation 4 or 5 years after the end of the war is more real and imminent than the danger of deflation.

The third report of the Director of War Mobilization and Reconversion stressed the fact that

"The vast reservoir of liquid assets—currently estimated at \$230 billion or almost three times the 1939 total—adds a completely new factor to our economy. These financial resources, plus the great need for goods which has been built up during the war, can be a self-starter for our postwar economy, and if handled right, a 'fly-wheel' for years to come."<sup>17</sup>

It is impossible to predict what various groups of the population will do with their war savings. At least some people, however, will use savings to build or buy houses; to buy cars, washing machines, or radio sets; improve their standard of living; give their children higher education; and so on. Assuming that the war savings of individuals and business enterprises will total \$200 billion by the end of the

reconversion and that these savings and reserves are spent at a rate of 2 percent annually, \$4 billion will be added each year to current purchasing power.<sup>18</sup>

In this event, the national budget for 1950, at the level of \$150 billion, will have a surplus of demand for goods and services (table 3). This model differs at two points from that proposed by the National Planning Association for a gross national product of \$150 billion: first, it postulates a balance between public expenditures, including transfer payments, on the one hand, and tax and nontax payments, including contributions to social security funds, on the other; second, it assumes a different pattern of individual savings.

Government expenditures—items 14 and 7—total \$23.7 billion+\$5.0 billion=\$28.7 billion, as compared with \$23.0 billion+\$4.0 billion=\$27.0 billion in table 1. Tax and nontax payments—items 2, 6, and 9—total \$11.8 billion+\$3.4 billion+\$13.5 billion=\$28.7 billion, as in table 1. In table 3, these two sums are in balance while table 1 suggests a deflationary gap of \$1.7 billion. A precise estimate of the separate items mentioned above is not very important for the present analysis; the crucial point is the balance: (14)+(7)=(2)+(6)+(9).

Savings of individuals (11) are estimated here at \$9.9 billion on the basis of formula (5) in footnote 16, applied to disposable income of \$115 billion—7.5 percent of \$115 billion+\$1.3 billion=\$9.9 billion—and it is assumed that \$4 billion of war savings will be spent by holders in the year surveyed, leaving net savings amounting to \$5.9 billion, in contrast to \$13.5 billion in table 1. If the hypothetical expenditure of war savings (11a) is increased, the deficiency of supply (17) will likewise increase, and vice versa.

In the model in table 3, output trails the demand for goods and services by \$1.8 billion. The deficiency of output, however, could be many times greater. It would increase if we assume that Government and business will have a

<sup>16</sup> The revised formulas for consumer expenditures (Y) and savings (S) are

$Y = 0.925 \times -1.3$ ..... (4)

$S = 0.075 \times +1.3$ ..... (5)

<sup>17</sup> U. S. Office of War Mobilization, op. cit., p. 58.

<sup>18</sup> The role of war savings, one of the most important and most controversial problems in the analysis of employment perspectives, will be discussed in the concluding article of this series. Cf. also Woytinsky, W. S., "Economic Perspectives, 1943-48," op. cit.

larger share in the gross national output<sup>10</sup> or if we assume a higher rate of spending of war savings. If, for example, 5 percent of war savings is spent (or invested in durable goods) in 1950, the surplus of the current purchasing power (demand) over the goods and services produced at the full-employment level would approximate \$8 billion. The situation would be as inflationary as that after World War I.

This danger could not be checked by an increase in the national product. In fact, if instead of \$150 billion worth of goods and services the gross national output in 1950 should be \$160 billion, national income would probably rise from \$129.2 billion to approximately \$138 billion and disposable income of individuals from \$115 billion to \$123 billion, in round numbers. Assuming a proportionate rise in current savings and expenditure of war savings of somewhat less than \$8 billion, individuals' demand for goods and services might amount to \$120 billion. On the other hand, Government and business shares in expenditures for gross national product would rise from \$23.7 billion and \$19 billion to about \$25 billion and \$20 billion, respectively, leaving, for individual consumption, goods and services aggregating \$115.0 billion in value. The "gap" would be slightly narrowed but not closed.

A more drastic reduction of the deficiency might be effected by increasing taxes (items 2, 6, and 9 in table 3) to more than current Government expenditures (items 7 and 14). A similar effect would result from a rise of business reserves (3) and corporate undivided profits (5) and curtailment of business outlays (15).

To sum up, if prewar relationships—with necessary adjustments for industrial and social progress in a dynamic society—prevail in 1950, there will be sufficient outlets for all the goods and services produced with full utilization of the Nation's human and technical resources. The equilibrium would be precarious, however, and could be destroyed at any time by various factors. If inflationary pressures developed, the situation would require measures to reduce or immo-

bilize free purchasing power, though such a policy might differ considerably from the anti-inflationary policy required by a war economy.

### Postwar Consumption

Distribution of consumption in a postwar period of full employment would necessarily differ from the pattern in 1935-36, when the country was in the early phase of recovery, with millions of workers out of jobs or on relief work projects. It would also differ from the pattern in 1940, when the progress of recovery had been interrupted by the war in Europe, and from that in 1942 and more recent years, when many durable goods had disappeared from the market and consumption of other articles, including alcoholic beverages and jewelry, increased disproportionately under the impact of the hidden inflation.<sup>11</sup>

The general pattern of distribution of consumer expenditures in postwar America may be deduced from prewar experience, especially during the changes in business conditions when the Nation shifted from prosperity (1929) to depression (1933), and from depression to recovery (1937) and to the war boom (1942) (table 4). From 1929 to 1940, expenditures for food (including beverages) and tobacco varied in more than direct proportion to the total amount of consumer expenditures, largely because of ups and downs in food prices. Consumption of food varied in a narrower range than the total disposable real income

of consumers. It may be anticipated, however, that the civilian demand for food in 1950 will be appreciably greater than in 1940. The growth of the population and especially of the number of households, new nutritional habits, and general improvement of the standard of living may increase the over-all expenditure for food by 25 percent, from \$25.3 billion in 1940 to \$31.6 billion, at 1941 prices, in 1950.

Expenditures for clothing and personal care are likely to increase at a higher rate, say 50 percent, mainly because of improvement in standards of living. From \$11.6 billion in 1941, this item might rise to \$17.4 billion.

Expenditures for housing will be determined by the increase in the number of dwelling units and the effectiveness of rent control. Assuming that the number of households increases 14.3 percent from 1940 to 1950 and rents are not permitted to rise more than 20 percent, expenditures for housing may increase from \$9.7 billion to \$13.3 billion.

A much larger rise may be anticipated in household operation. The accumulated demand for refrigerators, washing machines, radio sets, and electrical kitchens will make itself evident, and a 50-percent rise, from \$12.3 billion to \$18.5 billion, seems within the realm of probability.

A 40-percent increase in expenditures for medical care, from \$4 billion to \$5.5 billion, may be projected.

Disbursements for automobiles and other user-operated transportation (including private airplanes) may rise 50 percent, from \$6,842 million to \$10.3 billion. In other means of transpor-

<sup>10</sup> See "Consumption Expenditures 1929-43," *Survey of Current Business*, June 1944, pp. 6-13.

Table 4.—Consumption expenditures under changing business conditions, 1929-42<sup>1</sup>

[In millions]						
Expenditure	1929	1933	1937	1940	1941	1942
Total consumption <sup>1</sup> .....	\$72,018	\$44,083	\$62,939	\$67,758	\$77,376	\$85,614
Food and tobacco.....	21,723	13,277	21,420	21,876	25,296	31,459
Clothing and accessories.....	11,138	5,637	7,879	8,801	10,341	12,547
Personal care.....	1,112	705	967	1,107	1,274	1,529
Housing.....	11,273	7,732	8,280	9,136	9,664	10,127
Household operation.....	11,064	6,697	9,655	10,890	12,319	13,294
Medical care, etc.....	3,559	2,382	3,162	3,522	3,939	4,467
Personal business.....	3,413	2,029	2,667	2,742	2,953	2,577
Automobile.....	6,014	2,978	5,266	5,746	6,842	3,332
Transportation, other than automobile.....	2,018	1,082	1,421	1,461	1,640	2,244
Recreation.....	4,275	2,253	3,396	3,736	4,264	4,640
Education, etc.....	652	474	592	644	703	801
Religious and welfare activities.....	1,190	867	890	1,040	1,094	1,233
Foreign travel, etc.....	995	440	613	306	277	190

<sup>1</sup> Excludes outlays for personal business and foreign travel.

Source: *Survey of Current Business*, June 1944, pp. 9-11.

<sup>11</sup> Estimated at 28.5 percent in table 3, as compared with 32 percent in 1939 and 30 percent in 1940.



tation the rise may amount to 30 percent, as a result of the growth of population (8 percent), dispersion of urban communities, and increasing interest in travel. From \$1,640 million this item may rise to \$2.1 billion.

Increase in expenditures for recreation was probably retarded by the war. Assuming a rise of 40 percent over 1941 or 1929, the outlay would reach \$6.4 billion by 1950.

A gain of 30 percent, from \$1.8 billion to \$2.3 billion, may be anticipated in private expenditures for education and in religious and welfare activities.

These very rough projections merely illustrate the assumption of full employment and the long-range trend in productivity of labor and are by no means a forecast, but they are wholly within the realm of possibility. They would result in the following distribution of consumer expenditures in 1950, as compared with amounts obtained by applying the 1941 pattern to the 1950 population:

Type of expenditure	Amount in billions at 1941 prices	
	1950	1941 pattern
Total consumer expenditures...	\$107.3	\$85.0
Food, beverages, and tobacco.....	31.6	27.8
Clothing and accessories and personal care.....	17.4	12.8
Housing.....	13.3	10.6
Household operation, including furniture, electrical appliances, etc.....	18.5	13.5
Medical care.....	5.5	4.3
Automobile and other owner-operated transportation.....	10.3	7.5
Other transportation.....	2.1	1.8
Recreation.....	6.4	4.7
Education.....	.9	.8
Religious and welfare activities.....	1.4	1.2

Expenditures of this magnitude would not require revolutionary change in our consumption habits.<sup>21</sup> In fact the assumed changes are trivial in comparison with the contrasts between the fat and lean years in the past (table 4). The general pattern of these changes conforms with the projections of the National Resources Committee. Within this pattern, of course, the postwar demand for par-

ticular types of goods and services will be determined by competition, the quality and prices of goods, and the ability of producers to sell their merchandise to consumers.

### Postwar Capital Formation

In accordance with the classification used in the report of the National Planning Association, private capital formation is listed in table 3 as the "business share" of expenditures from the gross national product. The estimate of \$19 billion is purely illustrative. In fact, this is one of the most elusive items in projections of national income, since the amount used for capital formation in a year is largely determined by current business conditions.

The figure of \$19 billion was proposed by the National Planning Association in its "gap" model for a gross national product of \$150 billion (table 2).<sup>22</sup> The derivation of that figure is not very clear but may include about \$6 billion for residential construction, \$1 billion for growing inventories, \$8 billion for maintenance of capital, and \$4 billion for expansion of producers' plant and equipment.

Gross capital formation is thus set at 12.7 percent of the gross national product or somewhat more than 13 percent of the hypothetical civilian gross product, excluding services of the armed forces. This estimate appears rather conservative against the background of past experience. According to Kuznets, the ratio was somewhat over 20 percent before World War I, skyrocketed to over 25 percent in 1919 and 1920, and averaged 19 percent in 1921-29. It dropped during the depression but climbed back to 13.4 percent in 1935 and to 18.8 percent in 1936, and to 19.3 percent in 1937.<sup>23</sup> It may rise above 15 percent in the period of the catching-up postwar expansion, but its subsequent increase would threaten overexpansion of the industrial plant.

The estimate of gross capital formation in 1950 at \$19 billion thus appears rather conservative. A somewhat

higher figure—for example, \$21 billion—would not be unreasonable.

### Lessons of Prewar Experience

The main conclusion to be drawn from prewar experience is that the Nation can enjoy full employment and can also suffer a deep depression at any level of productive capacity. There is no evidence against the possibility of either a new depression or a balanced national budget on a full-employment level. Clearly, such a budget would not be an enlarged copy of the prewar pattern but would reflect definite changes in prewar relations, similar to changes that have characterized economic progress in the past. However, if an economic equilibrium on a high level of employment is reached after the war, it will be as precarious and difficult to preserve as in the past. Maladjustments may develop in any quarter of the economic system, and if they are not ironed out at the proper time their cumulative effect may become disastrous.

The preceding analysis seems to permit a rough ranking of postwar dangers. Least of all appears the danger that people would not know what to do with increasing wealth and that a "gap" would develop between production and consumption.

The greatest threats to postwar economic equilibrium appear to be inflation and overexpansion: overinvestment, a boom in real estate, a boom on the stock exchange, precipitous liquidation of savings, and a rise in prices.

If deflationary danger develops, remote as it now appears, three factors will tend to offset it: the war savings of individuals, the liquid reserves of business, and deferred demand for consumer durable goods and for private and public investments.

If inflationary danger becomes imminent, two forces will meet it: the will of the Nation not to indulge again in false prosperity and our ability, shown in wartime wage and price controls, to handle economic matters.

Not only our wartime success in controlling prices but, even more, the present control of the security markets, the progress of social legislation, and the increasing interest of the public in the problem of full employment justify the hope that the United States will find ways of protecting its postwar economy against dislocations.

<sup>21</sup> Another tentative distribution of consumers' expenditures was suggested by S. Morris Livingston in a report published by the Department of Commerce in March 1943 under the title "Markets After the War."

<sup>22</sup> National Planning Association, op. cit., p. 93.

<sup>23</sup> Kuznets, Simon, *Uses of National Income in Peace and War*, 1942, p. 37.

## Determination of Suitable Work During Reconversion\*

UNEMPLOYMENT COMPENSATION WAS conceived as a means of tiding over workers between jobs by providing a partial income based on the individual's previous earnings. From a broader point of view, its purpose is to ensure a smooth turn-over of the labor force and its adjustment to the changing demand for labor.

Continuous changes in the demand for labor by individual firms and in the work opportunities for individual workers, characteristic of an economic system based on individual initiative, imply temporary interruptions of employment of individuals and their redistribution among industries and establishments. The duration of the interruptions—or individual spells of unemployment—depends on business conditions but cannot be reduced to zero without infringing on the flow of the labor force. An employer should not be compelled to hire the first applicant for a vacant job; he should, rather, have time to make his choice from several applicants. For similar reasons, an unemployed worker should not be forced to accept the first job offered him but should have enough time to decide which of the available positions suits him best. A certain amount of frictional unemployment while jobs are going begging is therefore necessary for the smooth operation of our system of free enterprise and for the adjustment of the working force in individual concerns and of individual workers to changing work conditions.

The procedure described does not necessarily imply a lasting discrepancy between the demand for labor and its supply, as in the case of round pegs and square holes. As a rule, some of the pegs are square, others round, and so are the holes. The task is to find the proper peg for each hole.

\*Based on Unemployment Compensation Program Letter No. 113, February 25, 1946, sent by the Bureau of Employment Security to all State employment security agencies for consideration in general policy decisions. The material on which this statement is based was prepared by Clare D. Belman, Administrative Standards Division.

If employers or workers are compelled to make decisions under duress, round pegs will be forced into square holes and vice versa. Work crews will be engaged in work which they dislike, labor relations will deteriorate and labor turn-over increase. Elimination of frictional unemployment will turn out to be harmful for the economic system as a whole.

The necessary frictional unemployment increases naturally in the periods of extensive economic shifts and must be considerable during the transition from war to a peacetime economy.

Under these conditions, the unemployment insurance program should ensure to separated workers the necessary freedom in accepting or rejecting new jobs. This task is not identical with the defense of workers against lower wages or occupational down grading. After he exhausts his benefit rights—and usually long before that point—the unemployed worker must choose between jobs in the labor market. In some cases his new job will be less attractive than the earlier one, in other cases it may be more attractive. The brief spell of benefit payments can change neither the level of wages nor the distribution of jobs by occupational level. Least of all can it create new and better jobs. All that it ensures to the unemployed worker is *time*. By assuring workers greater freedom of choice, unemployment insurance contributes to the smooth readjustment of the labor force to changed conditions.

A better distribution of the labor force among industries, occupations, and establishments means a better utilization of the available human and technical resources, which, in its turn, implies more production and more purchasing power, higher real earnings of workers, and higher gains of capital.

One of the most difficult tasks in the administration of unemployment compensation laws is determining whether a job offered a worker was suitable for him within the meaning of the law or whether he refused it

with good cause.<sup>1</sup> As a minimum standard, all State laws provide that benefits shall not be denied an otherwise eligible individual for refusal of new work if the position is vacant because of a labor dispute; if the wages, hours, or other conditions are substantially less favorable than those prevailing in the locality for similar work; or if the worker as a condition of being employed would be required to join a company union or resign from or refrain from joining a bona fide labor organization. Other factors to be considered under most laws in determining whether work is suitable are the degree of risk to the worker's health, safety and morals; his physical fitness and prior training, experience, and earnings; the length of time he has been unemployed; the prospects of getting local work in his customary occupation; and the distance of the work from his residence.

Few laws attempt to further define suitable work because whether a job is suitable for a worker can only be determined in relation to all the circumstances in the case, and the policies and interpretations applied must be constantly adjusted to the changing labor-market situation. Policies appropriate before the war were modified of necessity by war conditions. Reconversion now presents new demands and new problems.<sup>2</sup>

From 1938, when payment of unemployment compensation benefits began, until the defense program started in 1940, there was an over-all surplus of labor. For every job open there were usually several workers seeking

<sup>1</sup>The Bureau of Employment Security has recently issued a series of releases to State unemployment compensation agencies dealing with principles underlying disqualifications for refusal of suitable work (Unemployment Compensation Program Letter No. 101, Nov. 26, 1945) and for voluntary leaving (Unemployment Compensation Program Letter No. 107, Jan. 28, 1946). Another Unemployment Compensation Program Letter (No. 103, Dec. 10, 1945) deals with principles underlying availability for work.

<sup>2</sup>Copies of the statements of policy issued by Illinois, New York, and Canada on refusal of suitable work during reconversion were sent to the State agencies with Unemployment Compensation Program Letters No. 97, issued October 29, 1945; No. 98, issued November 5, 1945; and No. 105, issued December 24, 1945.

employment in the locality who were customarily engaged in the occupation and for whom the wages offered were comparable to their previous earnings. Accordingly, claimants were not normally expected to accept work outside their customary occupations, at substantially lower wages, or at a distance. There were always other unemployed workers for whom the work was more suitable.

Because of the extreme shortage of labor during the war, suitable-work policies were calculated to promote placement of workers in essential jobs. Benefit-appeal decisions reflected the urgent need for productive utilization of every available man-hour. Claimants were frequently disqualified for refusing jobs outside their customary occupations when they had been unemployed only a short time. Benefits were often denied for refusal of work in distant localities where there was a critical shortage of labor. Differences between the worker's former rate of pay and the wage rate offered were given little weight because of the increase in weekly earnings and the opportunities for rapid advancement on the job; and personal circumstances received little consideration in determining whether the work offered was suitable.

With the end of the war we were plunged into a period of general economic readjustment which is not directly comparable to either the depression of the thirties or the war years of the forties.

The rapidity with which the surrender of Japan followed the surrender of Germany allowed no time for integrating the change-over to civilian production or for gradual absorption by industry of the men and women returning from the armed forces. While some war-production programs were cut back after VE-day, most manufacturing plants did not start to reconvert until their contracts were canceled after VJ-day. As a result, most of the workers who had been employed in the manufacture of war materials were laid off at the same time that millions of ex-servicemen began returning to the civilian labor market.

By the end of 1945—4 months after VJ-day—the first impact of unemployment which resulted from the release of men and women from war

jobs and military service at a faster rate than they could be reabsorbed by industry had passed. Most of the larger plants which had closed down to reconvert had reopened. Most of the workers who had been seeking employment had either been recalled by the establishments at which they had been employed or had found new jobs—for the most part jobs which became available as a result of reconversion and the cut-back in hours. Some had dropped out of the labor market.

We are, however, still experiencing unemployment due to reconversion. Additional workers are being laid off by establishments which are just winding up their wartime operations, and more veterans are returning from the armed forces and either replacing men and women now employed or joining the ranks of those seeking work. In general it appears that most of those who are and will be unemployed during the first 3 quarters of the year will find jobs before autumn, most of them jobs which will become available as reconversion progresses. Of those who are not reemployed, some will drop out of the labor market, and it seems probable that the number of unemployed will be no greater by September than it was at the turn of the year.

But the kind of jobs those seeking work will be able to obtain and the adjustments they may have to make as individuals are not much clearer now in many localities than at the beginning of reconversion.

### *Unemployment Compensation and Changing Industrial Opportunities*

The volume, nature, and location of job opportunities are still changing as industry adjusts to new markets and new levels of production. Few of the large plants which have reopened have yet reached full production or taken on their full complement of workers. Many small plants are still retooling or marking time until they can size up their markets and obtain materials and new contracts. Some plants which had apparently closed down permanently are converting to civilian production and will offer jobs similar to those they had during the war. Industries which disappeared for the duration are just

getting into gear again, others which were curtailed for lack of manpower and materials are expanding, and new industries based on wartime discoveries and techniques are offering new job opportunities. Wage rates are undergoing adjustment. Work shifts and hours are still being rearranged.

On the labor side of the picture, some workers, stranded in areas where there is no longer any work or enough jobs to go around, are faced with a choice of moving to new areas or changing their means of livelihood. Some, employed in higher-skilled jobs before the war, have key skills which will again be needed. Most of those who entered the labor market during the war have become experienced workers and have skills which are adaptable to peacetime employments. Most of those with prewar work experience who were employed in war industry have acquired new or additional skills as a result of their wartime training and experience. Many returning veterans have likewise acquired new skills.

Our industrial goal is to coordinate these two sides of the labor-market picture in the interest of both management and labor, so that more can be produced than was ever produced before in peacetime and wage increases can be absorbed without greatly increasing prices. To do this, workers must have a chance to find the place in the industrial picture where their skills will be fully utilized and they can produce to their full capacity.

In such times of short-run unemployment due to major industrial and technical change, unemployment compensation can best serve the community by helping to make possible an orderly adjustment of jobs and skills. By tiding claimants over as far as benefits permit, it can help them obtain work which will utilize their training and experience at wages most nearly comparable to their previous earnings. By not putting pressure on workers to take lower-skilled jobs before the local labor-market picture is clear, it can conserve skills for employers who will need them. By giving workers a chance to adjust to the new conditions of the labor market and preventing unnecessary downgrading and needless turn-over, it can protect the community as a whole



from the economic and social dislocations attendant on extensive industrial change.

For these reasons the Bureau of Employment Security is recommending the policies on refusal of work outlined below as a way of achieving the objectives of unemployment insurance during the present period of general economic readjustment. The recommendations are confined to the three major problems now facing the State agencies and the appeals tribunals: determining the claimant's customary work; determining what constitutes a reasonable period of adjustment; and determining the circumstances under which work outside the claimant's customary occupation may become suitable.

While these policy recommendations are based for the most part on the current practices of various administrative agencies, they are general in character and are subject to modification according to circumstances. Moreover, they do not deal with all factors which may be involved in determining whether a particular job is suitable for a particular claimant. Only the factors which have greatest weight in the majority of cases are discussed.

#### *Determination of the Claimant's Customary Work*

Perhaps the most difficult problem, and the key to the application of the suitable-work disqualification in many cases, is the determination of the claimant's customary occupation.

It is not necessarily the occupation in which he was last or longest employed but the highest-skilled work which he is qualified to do and in which he has been employed for an appreciable period of time that is ordinarily considered the claimant's customary occupation. For example, a claimant who worked for 2 years as an electrician's helper and for 6 months as a first-class electrician is considered a first-class electrician. Similarly, a girl who had been a dime-store clerk and later became a stenographer is considered a stenographer, and a chief accountant who took a job as a bookkeeper when there was no work in his own occupation is considered an accountant.

On the same basis, the work in which the claimant exercised his

highest skill, whether he was so employed during the last 4 or 5 years or before the war, should be considered his customary occupation, provided he is still qualified and physically able to perform the duties involved. Thus, a claimant who was a waiter but became a skilled engine-lathe operator during the war should be given a reasonable chance to obtain such work or related employment before other work is held suitable for him. Similarly, a woman who entered the labor market during the war and became a precision assembler or a welder or a punch-press operator through training and advancement on the job should be given an opportunity to obtain like work, and a construction carpenter who took a job nailing shipping crates together when there was no work in his own occupation should be considered a construction carpenter and not a shipping clerk or a laborer.

By the same reasoning, if the claimant has acquired new and higher skills in his period of military service which can be utilized in civilian employment, the nearest related civilian occupation may be deemed his customary work. A claimant who was a truck driver before the war, for example, and who learned to repair trucks and jeeps and Army staff cars while in the Army should have an opportunity to obtain work as an automobile mechanic, and a claimant who was a laborer before the war and was sent to a bakers' school while in service and trained to bake bread and pastry should have a chance to obtain work as a baker. On the other hand, a claimant who sold farm equipment before the war but spent his Army career as a company clerk should be considered a salesman and not a clerk.

#### *Determination of a Reasonable Period of Adjustment*

Claimants who are seeking work in their customary occupations at their former wages should be allowed a reasonable period either to find such work or to satisfy themselves that it no longer exists and to adjust to the new conditions of the labor market.

In determining what constitutes a reasonable period of adjustment for such claimants, the principal factors to be considered are: the skill involved in the claimant's customary occupation, the wages he earned in such em-

ployment, the length of his employment experience in the occupation, and the prospects of obtaining such work in the locality.

*Skill and wages.*—It takes longer to place workers in specialized occupations, and the loss to both the worker and to industry is greater if highly skilled workers are placed in less-skilled jobs. Accordingly the minimum period of adjustment allowed claimants to find work in their customary occupations at their former wages should be related to skill. The simplest way to do this is to graduate the minimum period of adjustment according to the skill classification of the claimant's customary occupation.

Illinois, for example, is allowing workers whose customary occupations are classified as unskilled a minimum of 6 weeks in which to find such work; semiskilled workers a minimum of 8 weeks; and skilled workers a minimum of 10 weeks. In each case the minimum period begins on the date the claimant was laid off from his last regular job or, if he takes time out to rest, from his return to the labor market. During that period, the claimant is not subject to disqualification for refusing work outside his customary occupation or for refusing work in his customary occupation but at a substantially lower rate than he had formerly earned. After the minimum period of adjustment has elapsed, the time allowed the claimant to seek his customary work may be extended, but if there are no prospects of obtaining his former rate of wages he may be required to accept such work at the prevailing rate.

The use of graduated minimum periods such as those adopted by Illinois is of course only a means to an end. The same results may be achieved by allowing a reasonable time for adjustment according to the circumstances in the individual case, as is done by North Carolina and California and a number of other States which do not use fixed minimum periods. Whatever method or periods are adopted, however, the time allowed should be sufficient to give claimants a real chance to find their customary work or to adjust to the new conditions of the labor market.

*Experience.*—Workers with long experience in their customary occupations should be allowed more time to

find such work because they are likely to be both more skilled and better qualified and because they are also likely to be older workers who cannot readily adapt to new kinds of work. This is especially the case with skilled workers, but it also holds for workers engaged in semiskilled work and in the so-called unskilled occupations. The unskilled classification, for example, includes armature testers, mold burners, locomotive couplers, plate repairmen, and track inspectors, as well as ditch diggers and sweepers.

One way to establish the minimum period of adjustment in relation to the length of a claimant's employment experience in his customary occupation would be to adopt the practice applied by the Canadian unemployment compensation agency in the case of skilled workers whose skills have peacetime application. Under the Canadian policy such workers are allowed 3 months, or about 13 weeks, in which to find work in their own occupations. They are also allowed a week for each year of employment experience in the occupation. The two periods run concurrently, and the claimant is allowed the longer of the two as a minimum period of adjustment.

The same time period of a week for each year of employment experience in the occupation could as easily be applied in connection with the Illinois periods of adjustment for skilled, semiskilled, and unskilled workers. Under a policy of this kind, for example, a claimant employed as a crane-rigger during the war would be allowed a minimum of 10 weeks in which to find similar work, on the basis of the skill involved, but a claimant with 15 or 20 years' experience in that occupation behind him would be allowed a minimum of 15 or 20 weeks before he was expected to accept another kind of work. Similarly, a worker whose customary occupation is classified as unskilled—an armature tester, for example—who had been employed in the occupation 6 years or less would be allowed a minimum of 6 weeks, while a claimant with 8 or 9 years' experience would have at least 8 or 9 weeks to find work in his own occupation.

**Prospects.**—Because new job opportunities are constantly opening up, prospects of work in the claimant's

customary occupation or closely related work may often be better after the initial period of adjustment allowed him has elapsed. As a general policy, the time allowed the claimant should be extended when there are reasonable prospects of work in his customary occupation. Only if such work is not likely to be done in the locality to any substantial extent so that chances of obtaining that type of work are remote or nonexistent should other work be deemed suitable. Moreover, discriminatory practices, such as the refusal of employers to continue to hire workers of the claimant's age, sex, or color, should not enter into the determination of the prospects of obtaining such work.

**Migration.**—The preceding discussion has been largely concerned with claimants who have remained in the same locality, and the recommendations may not be entirely applicable to claimants who have migrated from one area to another either in search of work or to go back home. Ordinarily, though, claimants who move out of an area of general labor surplus to a new locality and who are available for work should be allowed at least as much time for adjustment as most other workers in the same skill classification before they are held subject to disqualification for refusing work outside of their customary occupations. If there are reasonable prospects of employment in the claimant's customary occupation in the new locality, he should be allowed additional time to seek such work on the same basis as other claimants.

#### *Circumstances Under Which Work Outside the Customary Occupation May Become Suitable*

In some instances the entire benefit period may be none too long for adjustment, whether or not there are prospects of work in the claimant's customary occupation. The majority of claimants can be expected to accept other work after a reasonable time for adjustment has been allowed. Claimants should not be disqualified, however, for refusing work outside their customary occupations if there are prospects of work in their own occupations or in other occupations which would be more suitable for them than the work offered, or if there is a surplus of workers in the locality

for whom the work offered would be more suitable. Thus, for example, even though the period of adjustment allowed an accountant on the basis of his skill and experience has elapsed, he should not be disqualified for refusing work as a pay-roll clerk if there are prospects of work in the locality either in his own occupation or as a bookkeeper. Similarly, he should not be disqualified for refusing work as a pay-roll clerk if there are more pay-roll clerks in the locality than job openings.

**Type of work.**—In determining whether the type of work offered is suitable, both the degree to which it would utilize the claimant's skill, training, and experience and the length of time he has been unemployed should be considered. Only as the period of unemployment lengthens should work which is not closely related to his customary occupation and which requires successively less skill be deemed suitable. However, while work which requires less and less skill may become suitable as the length of the claimant's unemployment increases, as a general principle claimants should not be disqualified for refusing work which bears no relation to their skill and experience. For example, an industrial engineer who is unemployed because such work has been curtailed in the locality should not be disqualified for refusing work as a car loader.

**Wages.**—The difference between the worker's former earnings and the wages offered should also be considered in relation to the length of time he has been unemployed, and only as his unemployment lengthens should work paying progressively lower rates be deemed suitable. In determining whether the rates offered are suitable as compared with the claimant's former earnings, it may be helpful to adopt a sliding scale of rates, such as that used by Illinois during the war, for the guidance of claims personnel. On a like basis, the Canadian agency suggests allowing a drop in hourly rate of 5 cents per week after the initial period of adjustment in determining whether the wage offered for work outside the worker's usual occupation is suitable.

Whether or not a sliding scale of rates is used, however, a definite lower

(Continued on page 48)

## Employment Security

### Unemployment Claims and Benefits

#### State Programs

The number of unemployment insurance claims filed in December throughout the Nation remained near the November level. Initial claims representing new spells of unemployment declined slightly—from 766,000 to 739,000—while continued claims increased from 6,503,000 to 6,564,000. Delays in reconversion, due primarily to material shortages, and the displacement of workers by the flood of returning veterans kept the claims figures high.

In the week ended December 8, claimants represented 6.2 percent of the average monthly number of persons in covered employment in the year ended March 1945, as compared with 5.7 percent in September,<sup>1</sup> October, and November. The increase in the percentage of claimants in States with a labor surplus—Kentucky, Arkansas, Kansas, Missouri, and Oklahoma—was due to interstate claims from workers who had returned to their homes after earning wage credits in States where workers were in demand. Since the rate of increase is greater in the labor-surplus States, the ratios tend to be more nearly uniform among the States.

For the quarter ended December 31, net benefit payments totaled almost \$293 million<sup>2</sup>—more than three times the amount in the preceding quarter. Collections came to \$236 million,<sup>3</sup> a considerable drop from the preceding quarter. Funds available for benefits as of December 31—\$6.9 billion—were only slightly less than on September 30, however, and only 14 of the 49 States for which comparable data are available showed any decline.

The average weekly benefit payment in the quarter was \$18.72<sup>4</sup> for the United States as a whole. In five States—Connecticut, Hawaii, New

Jersey, Utah, and Washington—the average payment was above \$20; Utah's \$24.25 was the highest. Twelve States had averages below \$14, with the lowest, \$12.74, in South Dakota.

Claimants exhausting benefit rights in the 50 States for which data are available totaled 60,000 in December, after an increase each month since September. First payments have declined monthly from 664,000<sup>5</sup> in September to 343,000<sup>6</sup> in December.

**Region I.**—For the region as a whole, about as many newly unemployed workers filed initial claims in December as in November. The decreases in Connecticut, New Hampshire, and Rhode Island were offset by increases in the other three States. Continued claims rose in each State except Connecticut, while aggregate benefit payments decreased except in Maine and Rhode Island. The average benefit payment for a week of total unemployment ranged from \$13.50 in New Hampshire to \$21.25 in Connecticut.

The decrease in continued claims in Connecticut was due to seasonal employment of some claimants during the holidays. Although both initial and continued claims dropped, labor disputes tended to keep the claim loads higher than they would otherwise have been. Women represented

one-third of the initial claimants and about half those in continued status.

In Massachusetts, initial claims increased by 2,600 to 23,000, and continued claims by 11,000 to 192,000. The relative number of men filing initial claims increased from 49 percent of all initial claimants in November to 56 percent in December. This increase was due partly to layoffs in the shipbuilding industry but mainly to displacement by returning veterans. For the quarter ended December 31, net benefit payments amounted to almost three times those in the preceding quarter. By the end of the year, 40 percent of all contributions collected since the beginning of the program had been paid out in benefits—the highest percentage for any of the 48 States<sup>7</sup> for which data were available.

**Region II—III.**—Except for continued claims in Pennsylvania and Delaware, all claim loads in the region declined in December. Average weekly benefit payments for total unemployment, ranging from \$16.63 in Delaware to \$20.55 in New Jersey, were the highest for any region.

In Delaware continued claims rose 7.8 percent—from 14,200 to 15,300—and in Pennsylvania, 6.9 percent—from 475,000 to 508,000. The slight decline in initial claims in New Jersey, from 48,600 to 46,000, possibly may have been due to fewer claims-taking days in December, though unemployment

<sup>5</sup> Excludes data for Michigan.

<sup>6</sup> Excludes December 1945 data for California, Maine, and Michigan.

Table 1.—Summary of unemployment compensation operations, December 1945 and December 1944

Item	December 1945		December 1944
	Number or amount	Percentage change from November 1945	
Initial claims.....	739,127	-3.5	123,116
New.....	532,991	-7.3	81,013
Additional <sup>1</sup> .....	206,136	+8.0	42,103
Continued claims.....	6,563,646	+9	432,855
Waiting-period <sup>2</sup> .....	465,206	-6.6	81,039
Compensable.....	6,098,349	+1.6	371,816
Weeks compensated.....	<sup>3</sup> 5,631,777	+3.7	324,645
First payments.....	<sup>4</sup> 343,052	-14.0	40,941
Exhaustions.....	<sup>4</sup> 59,884	+71.7	7,710
Weekly average beneficiaries.....	<sup>1</sup> 1,299,641	+3.7	74,915
Benefits paid <sup>5</sup> .....	<sup>1</sup> \$106,516,726	-1.8	\$5,192,009
Benefits paid since first payable <sup>6</sup> .....	\$2,592,900,013		
Funds available as of Dec. 31 <sup>7</sup> .....	\$6,935,982,466		\$6,071,926,921

<sup>1</sup> Excludes Maryland, Ohio, Texas, and Wisconsin, which have no provisions for filing additional claims; also Indiana and Pennsylvania before April 1945 and Florida before July 1945.

<sup>2</sup> Beginning April 1945 excludes Maryland, which has no provision for filing waiting-period claims.

<sup>3</sup> Includes estimate for Michigan.

<sup>4</sup> Excludes Michigan; data not available.

<sup>5</sup> Gross; not adjusted for voided benefit checks and transfers under interstate combined wage plan.

<sup>6</sup> Includes data for California and Michigan as of Nov. 30, 1945.

<sup>1</sup> September ratio based on covered employment in March 1945.

<sup>2</sup> Excludes December data for California and Michigan.

<sup>3</sup> Excludes December 1945 data for California, Maine, and Michigan.

<sup>4</sup> Excludes data for Michigan.



ment resulting from labor disputes and displacement of workers by returning veterans also affected the initial-claimant load. Of each 100 persons in covered employment in New Jersey, 11 filed claims during the week ended December 8; this was the highest proportion for any State in the country. Slightly more than one-third of the first payments during the month were made to claimants from the transportation-equipment and machinery-manufacturing industries. Benefit payments, which totaled nearly \$30 million for the quarter ended December 31, were a little more than six times the amount paid in the preceding quarter.

The 111,000 initial claims filed in New York resulted from lay-offs in the apparel industry in New York City and the metals and machinery industries in upstate New York. Throughout the State, material shortages and displacements by returning veterans were important factors influencing the claimant load.

Pennsylvania's initial claims dropped from 54,000 to 49,000, less than half the number in the high month of October 1945. Continued claims, which rose from 475,000 to 508,000, included claims filed by persons involved in an industrial dispute who had completed their statutory disqualification periods. In the week ended December 8, claimants represented 4.9 percent of the average monthly number of persons in covered employment during the year ended March 1945, the lowest ratio for any State in the region and less than the national average of 6.2.

**Region IV.**—Each of the five States in the region had a smaller proportion of claimants to covered employees in the week of December 8 than the United States average. Initial and continued claims increased only in the District of Columbia, and men filed more than three-fourths of the District's claims. Each State except Maryland reported an increase from November in the average weekly number of beneficiaries, but the averages were less than half the average weekly number for the all-time high months in 1938 and 1940.

**Region V.**—Except for initial claims in Michigan, claims decreased in each of the three States in the region. In Kentucky, where claimants averaged

9.5 out of each 100 in covered employment—a proportion exceeded only in New Jersey, Michigan, and Oklahoma—more than half of the continued claims taken were filed by claimants with wage credits in another State.

The rise from 38,000 to 45,000 in

Michigan's initial claims was attributed to short-term inventory lay-offs and administrative procedure whereby some claimants whose benefit years terminated at the end of December filed new claims for determination before the beginning of their new benefit year. The proportion of

Table 2.—Initial and continued claims received in local offices, by State, December 1945

[Data reported by State agencies, corrected to Jan. 21, 1946]

Social Security Board region and State	Initial claims			Continued claims				
	Total <sup>1</sup>	Percentage change from—		New	Total <sup>2</sup>	Percentage change from—		Com- pen- sable
		Novem- ber 1945	Decem- ber 1944			Novem- ber 1945	Decem- ber 1944	
Total.....	739,127	-3.5	+500.4	532,991	6,563,645	+0.9	+1,349.4	6,098,349
<b>Region I:</b>								
Connecticut.....	15,300	-10.2	+424.2	10,108	93,403	-10.3	+924.9	84,626
Maine.....	4,906	+10.8	+153.7	3,423	30,121	+21.3	+450.6	27,492
Massachusetts.....	22,767	+13.0	+231.6	14,681	191,918	+6.0	+948.0	180,239
New Hampshire.....	1,187	-21.2	+281.7	919	6,229	+3.7	+345.2	5,820
Rhode Island.....	9,309	-18.1	+649.5	7,999	83,914	+30.5	+1,186.2	78,485
Vermont.....	661	+6.1	+400.8	548	7,428	+6.4	+1,027.2	6,815
<b>Region II-III:</b>								
Delaware.....	1,836	-15.3	+608.9	1,501	15,265	+7.8	+1,854.5	14,291
New Jersey.....	46,296	-4.7	+526.2	34,719	510,190	-1.6	+1,823.9	480,148
New York.....	110,746	-4.0	+392.6	56,728	784,677	-5.0	+1,023.4	689,514
Pennsylvania.....	48,726	-10.1	+1,192.5	36,665	507,813	+6.9	+2,266.1	471,403
<b>Region IV:</b>								
District of Columbia.....	869	+71.1	+226.7	789	3,794	+32.4	+107.9	3,495
Maryland.....	7,246	-14.9	+1,458.3	7,246	100,624	-8.1	+2,801.5	100,624
North Carolina.....	4,306	-12.5	+525.9	3,231	38,587	-4.1	+1,171.0	34,386
Virginia.....	3,741	-6.2	+1,058.2	3,104	30,753	-1	+1,893.1	29,056
West Virginia.....	7,055	-11.0	+843.2	5,906	61,911	-1.7	+1,670.4	59,471
<b>Region V:</b>								
Kentucky.....	7,931	-13.6	+555.5	6,776	97,127	-12.2	+1,027.5	94,929
Michigan.....	44,879	+17.2	+210.4	29,398	571,546	-17.1	+2,232.2	553,883
Ohio.....	22,657	-24.4	+805.2	22,657	371,195	-12.6	+4,763.7	342,208
<b>Region VI:</b>								
Illinois.....	46,228	-6.4	+247.2	30,352	448,801	-7.7	+1,103.9	431,166
Indiana.....	29,424	-15.5	+401.7	14,241	192,502	-6.6	+2,291.6	181,174
Wisconsin <sup>3</sup> .....	7,618	+47.6	+646.1	7,618	68,755	-4.2	+1,195.1	60,748
<b>Region VII:</b>								
Alabama.....	11,667	-8.0	+1,746.0	10,335	130,827	+8.0	+2,082.3	122,778
Florida.....	7,896	-5.9	+130.5	7,047	48,508	+5.3	+503.5	45,724
Georgia.....	6,276	-26.1	+969.2	4,834	86,762	+5.6	+2,334.4	75,995
Mississippi.....	3,519	+15.8	+598.2	3,264	27,918	+16.9	+1,043.7	25,590
South Carolina.....	2,074	-4.1	+307.5	1,814	16,697	+9.7	+440.7	15,133
Tennessee.....	9,777	-4.2	+375.3	8,386	114,475	+5.4	+638.4	107,723
<b>Region VIII:</b>								
Iowa.....	5,460	+33.9	+686.7	4,480	45,459	+7.3	+1,879.9	40,952
Minnesota.....	10,095	+15.4	+631.5	8,535	64,351	+28.6	+1,853.0	55,317
Nebraska.....	2,204	+57.2	+1,331.2	1,636	11,252	+11.9	+3,341.0	9,596
North Dakota.....	675	+76.2	( <sup>4</sup> )	597	2,951	+90.6	+2,422.2	2,830
South Dakota.....	500	+40.4	+657.6	486	2,689	+34.7	+971.3	2,533
<b>Region IX:</b>								
Arkansas.....	7,666	-2	+1,845.7	7,088	66,717	+11.7	+2,881.1	64,147
Kansas.....	6,952	-2.8	+1,026.7	5,439	75,832	+9.1	+2,775.7	72,252
Missouri.....	24,376	+12.9	+1,174.2	18,019	220,069	+5.8	+2,558.5	201,091
Oklahoma.....	8,577	+7.9	+1,536.8	7,061	64,275	+3.6	+2,229.6	61,024
<b>Region X:</b>								
Louisiana.....	9,288	-27.3	+897.6	8,019	101,363	+8.0	+2,160.0	95,357
New Mexico.....	621	+34.1	( <sup>4</sup> )	596	3,071	+35.3	+1,398.0	2,985
Texas.....	15,462	+8.8	+935.6	15,462	127,734	+15.8	+1,313.3	117,315
<b>Region XI:</b>								
Colorado.....	2,146	+25.6	+1,147.7	1,974	8,727	+31.6	+1,402.1	7,623
Idaho.....	1,307	-5	+1,419.8	1,178	7,054	+138.6	+2,465.1	5,636
Montana.....	2,301	+63.2	+1,726.2	2,144	10,101	+74.4	+1,322.7	8,146
Utah.....	2,416	+31.4	+1,034.3	2,176	10,027	+112.6	+951.0	8,723
Wyoming.....	290	+94.6	( <sup>4</sup> )	281	927	+66.7	( <sup>4</sup> )	788
<b>Region XII:</b>								
Arizona.....	2,652	-6.7	+931.9	2,182	16,389	+3.4	+1,542.2	15,535
California.....	92,061	-16.9	+486.9	61,340	820,878	+15.4	+1,091.2	768,835
Nevada.....	605	+15.9	+764.3	447	2,957	+44.5	+1,214.2	2,797
Oregon.....	33,982	+75.8	+3,037.8	31,924	99,509	+42.1	+6,697.1	88,362
Washington.....	24,278	-6.5	+1,873.8	17,369	158,798	+34.8	+8,866.6	143,109
<b>Territories:</b>								
Alaska.....	293	+37.6	( <sup>4</sup> )	246	721	+121.2	+516.2	441
Hawaii.....	23	( <sup>4</sup> )	( <sup>4</sup> )	23	54	( <sup>4</sup> )	( <sup>4</sup> )	39

<sup>1</sup> Includes additional claims except in Maryland, Ohio, Texas, and Wisconsin, which have no provision for filing such claims.

<sup>2</sup> Includes waiting-period claims except in Maryland, which has no provision for filing such claims.

<sup>3</sup> Since Wisconsin has no provision for a benefit

year, a new claim is the first claim filed by a worker with respect to each period of total or part-time unemployment.

<sup>4</sup> Not computed because fewer than 50 claims were reported in either or both periods.

claimants to persons in covered employment dropped from 10.8 in November to 9.8 in December.

In Ohio, initial claims declined from 30,000 to 23,000. About 15 percent of these claims were filed by persons af-

ected by labor disputes, 7 percent were interstate claims, and 5 percent were filed by returning veterans exercising their right to receive benefits on the basis of wage credits earned before their entry into military serv-

ice. Seasonal and reconversion unemployment also affected the claim load. The average weekly number of beneficiaries reached 82,000, about 2,000 more than in the previous high month of October 1945. Net benefit

Table 3.—Number of beneficiaries and amount of benefits paid, December 1945 and December 1944, number of weeks compensated, December 1945, and average weekly benefit amount, December 1945 and October–December 1945, by State

[Data reported by State agencies, corrected to Jan. 21, 1946]

Social Security Board region and State	Beneficiaries			Weeks compensated for specified types of unemployment, December 1945				Benefits paid <sup>1</sup>			Average weekly benefit amount	
	Average weekly number, December 1945	Percentage change from November 1945	Average weekly number, December 1944	All types	Total	Part-total <sup>2</sup>	Partial <sup>3</sup>	Amount, December 1945	Percentage change from November 1945	Amount, December 1944	December 1945	October–December 1945
Total	1,209,641	+3.7	74,915	5,631,777				\$106,616,726	-1.8	\$5,192,009	\$18.45	\$18.72
Region I:												
Connecticut	34,384	-23.9	1,648	148,999	146,567	1,536	866	3,145,861	-24.0	131,624	21.25	21.04
Maine	5,783	+30.3	865	25,058	22,026	376	2,656	395,915	+25.7	38,063	16.70	17.11
Massachusetts	35,545	-18.6	3,198	154,026	147,902	520	5,604	2,946,560	-18.2	209,118	19.57	19.52
New Hampshire	931	-2.8	267	4,035	3,620	22	393	52,025	-2.5	12,003	13.50	13.84
Rhode Island	18,775	+44.8	1,425	81,358	78,210	( <sup>4</sup> )	3,148	1,401,870	+46.3	95,697	17.54	17.45
Vermont	1,211	+2	115	5,249	5,029	135	85	87,955	-1.3	6,236	17.09	17.16
Region II–III:												
Delaware	2,899	+6.5	167	12,561	12,409	104	48	207,883	+6.1	8,657	16.63	16.75
New Jersey	102,773	-12.0	4,911	445,350	435,933	45	9,372	9,063,410	-12.4	335,674	20.55	20.69
New York	161,148	-4.5	10,980	698,304	672,174	( <sup>4</sup> )	( <sup>4</sup> )	13,568,664	-5.0	780,245	19.78	19.84
Pennsylvania	92,027	+1.8	2,925	398,781	398,781	( <sup>4</sup> )	( <sup>4</sup> )	7,197,993	+2.2	196,742	18.05	18.03
Region IV:												
Dist. of Col.	561	+33.6	364	2,431	2,370	49	12	43,285	+32.9	28,082	17.88	17.94
Maryland	28,933	-6.7	819	125,374	119,970	269	5,135	2,370,888	-6.3	59,279	19.31	19.30
North Carolina	7,287	+1.9	466	31,577	30,456	0	1,121	418,770	-7.7	19,503	13.41	13.59
Virginia	5,724	+22.8	333	24,904	24,117	375	312	330,426	+24.1	16,602	13.47	13.37
West Virginia	9,373	+6.9	486	40,617	35,820	93	4,704	650,644	+8.0	32,855	16.19	16.13
Region V:												
Kentucky	10,347	-5.7	1,311	44,837	44,191	346	300	566,762	-5.9	61,695	12.71	12.84
Michigan	( <sup>5</sup> )		9,706	( <sup>5</sup> )				( <sup>5</sup> )		815,902		
Ohio	82,900	+19.9	1,076	355,722	350,005	2,469	3,248	6,774,007	+20.4	66,137	19.18	19.19
Region VI:												
Illinois	86,641	-14.0	7,274	375,445	361,031	8,508	5,906	6,989,815	-14.5	523,518	18.94	19.06
Indiana	67,959	+45.0	1,584	294,487	281,530	( <sup>5</sup> )	( <sup>5</sup> )	3,938,130	+5.9	108,905	13.39	16.15
Wisconsin	13,286	-3.3	941	57,571	54,058	2,100	1,413	1,018,551	-3.3	55,910	18.02	18.13
Region VII:												
Alabama	26,674	+17.2	1,192	115,585	112,981	2,319	285	2,016,488	+17.7	61,120	17.55	17.45
Florida	7,756	-11.6	804	33,608	32,754	569	285	480,459	-9.5	44,692	14.44	14.31
Georgia	17,210	+8.4	671	74,576	74,182	248	146	1,241,251	+8.5	31,031	16.67	16.68
Mississippi	2,431	+2.1	271	10,533	10,042	137	354	139,372	+2.1	11,395	13.47	13.44
South Carolina	1,408	+37.1	391	6,100	5,959	47	94	84,368	+40.3	18,964	13.93	13.63
Tennessee	9,051	-39.4	2,739	39,220	38,874	316	30	539,222	-39.6	140,625	13.79	13.77
Region VIII:												
Iowa	7,645	-1.1	316	33,127	32,215	747	165	545,678	-2.5	17,215	16.66	16.82
Minnesota	10,832	+37.7	424	47,026	45,600	( <sup>5</sup> )	( <sup>5</sup> )	820,786	+37.3	26,544	17.46	17.04
Nebraska	2,038	+9.2	39	8,830	8,445	217	168	147,108	+10.1	1,972	16.89	16.84
North Dakota	81	( <sup>5</sup> )	9	350	281	17	52	5,574	+219.6	448	17.78	17.53
South Dakota	122	+58.4	22	528	490	24	14	6,740	+63.4	844	12.93	12.74
Region IX:												
Arkansas	5,507	+9.8	255	23,864	23,710	140	14	319,225	+8.2	12,526	13.40	13.54
Kansas	16,445	+9.8	426	71,262	69,427	1,596	239	1,091,614	+9.5	22,334	15.44	15.50
Missouri	36,800	+1.0	1,406	159,465	157,666	316	1,483	2,645,025	+3.3	76,900	16.68	16.83
Oklahoma	13,962	+25.5	306	60,633	59,079	1,507	47	1,048,952	+24.2	19,133	17.41	17.55
Region X:												
Louisiana	12,715	+2.5	761	55,097	54,077	640	380	912,961	+2.0	47,842	16.65	16.71
New Mexico	98	+28.9	15	426	424	1	1	5,789	+28.0	738	13.62	13.63
Texas	17,352	+21.1	778	75,190	73,770	1,420	0	1,219,167	+22.0	41,194	16.33	16.18
Region XI:												
Colorado	870	+25.0	81	3,772	3,695	77	0	52,303	+25.5	4,676	13.93	13.90
Idaho	225	+235.8	35	975	950	25	0	15,990	+281.2	2,248	16.51	15.40
Montana	638	+93.3	97	2,765	2,765	( <sup>5</sup> )	( <sup>5</sup> )	38,217	+96.7	5,166	13.82	13.69
Utah	1,682	+113.2	190	7,288	6,930	251	107	173,787	+114.6	15,748	24.33	24.25
Wyoming	69	( <sup>5</sup> )	3	300	278	18	4	5,563	+63.2	186	18.87	18.95
Region XII:												
Arizona	2,404	+3.6	94	10,416	10,311	98	7	152,695	+3.5	5,570	14.69	14.73
California	168,615	+17.9	12,136	730,663	689,781	( <sup>5</sup> )	( <sup>5</sup> )	14,113,159	+17.9	938,877	19.65	19.67
Nevada	354	+34.6	43	1,534	1,515	17	2	27,818	+35.7	2,727	18.20	18.20
Oregon	16,622	+70.6	267	72,027	70,519	1,151	357	1,218,523	+71.1	15,744	17.07	17.06
Washington	33,778	+47.0	365	146,372	142,466	2,811	1,095	3,124,667	+45.2	21,859	21.47	21.46
Territories:												
Alaska	410	+54.7	16	1,775	1,766	9	0	27,917	+54.4	1,085	15.76	15.82
Hawaii	19	( <sup>5</sup> )	2	84	76	0	8	1,744	+84.9	149	22.43	22.83

<sup>1</sup> Excludes New York, data not reported; Montana and Pennsylvania, which have no provisions for partial and part-total unemployment; and Rhode Island, which has no provision for part-total unemployment.

<sup>2</sup> Gross: not adjusted for voided benefit checks and transfers under interstate combined wage plan.

<sup>3</sup> Total includes estimate for Michigan.

<sup>4</sup> Estimated.

<sup>5</sup> Data not reported.

<sup>6</sup> Not computed because fewer than 50 beneficiaries were reported in either or both periods.

Table 4.—State unemployment compensation funds available for benefits as of December 31, 1945, collections and interest, benefits paid, and ratio of benefits to collections, October–December 1945 and cumulative through December 1945, by State

[Data reported by State agencies,<sup>1</sup> corrected to Jan. 21, 1946]

Social Security Board region and State	Funds available for benefits as of Dec. 31, 1945		Contributions collected <sup>2</sup>					Benefits paid <sup>3</sup>				
	Amount <sup>2</sup> (in thou- sands)	Percent- age change from Sept. 30, 1945	Cumulative through December 1945 <sup>4</sup> (in thousands)		October-December 1945		Cumulative through December 1945 <sup>7</sup> (in thousands)	October-December 1945		Ratio (percent) of benefits to collec- tions		
			Collections and interest <sup>5</sup>	Collections	Collections	Percentage change from July- September 1945		Amount	Percentage change from July- September 1945	October- December 1945	Cumula- tive through December 1945	
Total .....	\$6,935,982	—0.3	\$9,528,698	\$8,998,074	\$236,078,289	—29.8	\$2,592,900	<sup>10</sup> \$292,814,423	+323.1	126.2	27.6	
Region I:												
Connecticut.....	171,985	—2.6	217,122	204,068	6,117,556	—24.5	45,137	11,549,229	+361.8	188.8	22.1	
Maine.....	<sup>11</sup> 37,117	+1.9	<sup>9</sup> 53,185	<sup>8</sup> 51,132	<sup>1</sup> 1,447,971	—14.4	16,253	945,099	—	—	—	
Massachusetts.....	213,273	—1.6	339,811	318,902	5,266,076	—14.4	126,537	9,821,807	+199.2	186.5	39.7	
New Hampshire.....	22,716	+3.1	31,962	30,112	748,039	—4.4	9,247	170,888	+120.0	22.8	30.7	
Rhode Island.....	73,412	+1	112,329	107,338	2,989,023	—24.6	38,917	3,265,132	+162.1	109.2	36.3	
Vermont.....	12,720	+2.1	16,307	15,339	445,727	—6.6	3,587	249,309	+422.2	55.9	23.4	
Region II-III:												
Delaware.....	14,302	—1.8	17,914	16,386	231,041	—12.7	3,612	568,860	+231.8	246.2	22.0	
New Jersey.....	439,128	—2.6	548,568	513,360	15,791,199	—15.2	109,440	29,584,530	+505.8	187.3	21.3	
New York.....	987,753	—2.0	1,474,678	1,405,730	14,819,469	—76.0	486,923	40,040,670	+209.1	270.2	34.6	
Pennsylvania.....	610,539	—4.0	852,924	806,281	15,201,916	—8.1	242,385	20,407,724	+326.0	134.2	30.1	
Region IV:												
Dist. of Col.....	43,823	+1.2	53,674	49,058	432,848	—4.8	9,851	106,980	+102.0	24.7	20.1	
Maryland.....	126,624	—1.2	169,224	160,857	5,137,372	—22.9	42,600	7,253,635	+278.3	141.2	26.5	
North Carolina.....	108,383	+3.3	134,895	127,299	4,211,474	+2	26,512	1,266,561	+231.0	30.1	20.8	
Virginia.....	66,177	+2.3	90,172	84,718	1,990,466	—13.9	23,995	820,188	+360.6	41.2	28.3	
West Virginia.....	71,056	+1.5	100,648	95,283	2,444,483	—13.5	29,592	1,755,618	+263.2	71.8	31.1	
Region V:												
Kentucky.....	89,254	+3.2	108,013	100,292	4,143,040	+39.1	18,759	1,678,401	+274.6	40.5	18.7	
Michigan.....	<sup>9</sup> 260,771	—	<sup>4</sup> 494,654	<sup>3</sup> 473,145	<sup>15</sup> 15,173,089	—16.2	<sup>8</sup> 253,883	<sup>10</sup> 37,464,892	—	—	—	
Ohio.....	480,185	—2	579,035	537,481	15,747,705	—16.2	98,850	19,041,388	+863.6	120.9	18.4	
Region VI:												
Illinois.....	510,266	—1.1	690,450	643,902	16,049,801	—17.8	180,184	24,190,949	+207.0	150.7	28.0	
Indiana.....	181,911	—1.7	250,429	236,357	6,190,032	—18.8	68,518	10,188,157	+472.7	164.6	29.0	
Wisconsin.....	185,601	+2.4	218,547	203,582	6,757,236	—11.9	33,045	3,199,946	+301.5	47.4	16.2	
Region VII:												
Alabama.....	63,879	—4.7	96,113	90,872	1,672,145	—13.2	32,235	5,127,981	+396.5	306.7	35.5	
Florida.....	58,317	+2.4	82,229	78,431	2,460,091	—25.5	23,912	1,391,639	+195.3	56.6	30.5	
Georgia.....	79,958	+3	100,688	94,426	3,225,943	—9.1	20,731	3,385,845	+577.1	105.0	22.0	
Mississippi.....	26,794	+4.7	36,329	34,709	1,498,737	—3.6	9,535	410,334	+161.2	27.4	27.5	
South Carolina.....	39,715	+3.3	49,688	46,452	1,261,996	—7.7	9,973	190,253	+178.1	15.1	21.5	
Tennessee.....	88,713	+3.1	122,804	117,487	4,354,724	—26.2	34,090	2,134,341	+325.6	49.0	29.0	
Region VIII:												
Iowa.....	63,035	+2.1	82,466	77,704	2,607,722	—6.5	19,431	1,630,174	+277.7	62.5	25.0	
Minnesota.....	94,397	+3.3	137,011	130,459	4,469,191	—24.3	42,613	1,899,959	+414.7	42.5	32.7	
Nebraska.....	26,746	+1.9	32,987	30,755	777,090	—18.6	6,241	396,090	+520.0	51.0	20.3	
North Dakota.....	5,340	+4.2	7,454	6,962	196,142	+1.7	2,115	7,959	+310.0	4.1	30.4	
South Dakota.....	6,543	+2.6	7,961	7,281	150,377	+8.8	1,418	14,591	+94.0	9.7	19.5	
Region IX:												
Arkansas.....	30,522	+2.7	40,275	38,121	1,562,298	—2.5	9,754	907,459	+512.9	58.1	25.6	
Kansas.....	54,111	—8.8	66,941	62,920	2,248,266	—20.5	12,830	2,936,242	+447.4	130.6	20.4	
Missouri.....	159,758	—1.2	199,847	185,892	5,246,860	—41.1	40,060	7,930,500	+397.8	151.1	21.6	
Oklahoma.....	46,493	—2.0	64,202	59,941	1,448,953	—20.7	17,709	2,641,505	+345.8	182.3	29.5	
Region X:												
Louisiana.....	81,414	+2.6	115,675	110,264	4,252,161	—10.5	34,261	2,603,510	+317.5	61.2	31.1	
New Mexico.....	10,550	+5.3	14,345	13,554	495,080	—3.9	3,795	13,173	+222.6	2.7	28.0	
Texas.....	155,313	+1.1	200,144	186,652	4,065,058	—12.7	44,831	3,056,630	+449.3	75.2	24.0	
Region XI:												
Colorado.....	35,981	+3.8	47,154	44,189	1,268,937	—14.1	11,173	124,599	+288.8	9.8	25.3	
Idaho.....	15,396	+4.7	22,557	21,532	643,339	—3.3	7,161	25,148	+7.5	3.9	33.3	
Montana.....	19,326	+5.0	27,349	25,896	900,022	—4.4	8,023	68,126	+302.4	7.6	31.0	
Utah.....	26,911	+4.1	35,931	34,302	1,231,272	—3.6	9,020	297,121	+540.2	24.1	26.3	
Wyoming.....	8,284	+4.2	11,691	11,036	303,546	+5.2	3,407	10,690	+539.4	3.5	30.9	
Region XII:												
Arizona.....	19,759	+2.3	26,661	25,389	790,655	—16.5	6,902	447,050	+158.0	56.5	27.2	
California.....	<sup>7</sup> 746,878	—	<sup>1</sup> 1,021,610	<sup>9</sup> 974,468	<sup>35</sup> 35,596,939	—	<sup>8</sup> 274,732	<sup>10</sup> 22,367,283	—	—	—	
Nevada.....	10,583	+3.4	13,782	13,155	360,208	—22.3	3,199	62,972	+388.6	17.5	24.3	
Oregon.....	74,423	+1.6	95,998	91,538	3,215,375	—13.5	21,574	2,364,049	+808.9	73.5	23.6	
Washington.....	153,117	+1.0	185,057	175,911	7,515,129	—14.9	31,940	6,741,503	+1,016.4	89.7	18.2	
Territories:												
Alaska.....	8,461	+4.8	9,919	9,454	405,157	+16.3	1,458	54,606	+843.8	13.5	15.4	
Hawaii.....	18,369	+3.4	19,289	17,669	519,304	+1.1	921	3,122	+650.5	.6	5.2	

<sup>1</sup> Except interest, which is credited and reported by Treasury.<sup>2</sup> Represents sum of balances at end of month in State clearing account and benefit-payment account, and in State unemployment trust fund account in Treasury.<sup>3</sup> Represents contributions, penalties, and interest collected from employers, and contributions from employees. Adjusted for refunds and for disbonored contribution checks. Current contribution rates (percent of taxable wages) are: For employers, 2.7 percent except in Michigan, where rate is 3.0 percent; for employees, 1.0 percent in Alabama, California, and New Jersey and 0.5 percent in Rhode Island. Experience rating, operative in 45 States, modifies above rates. All States collect contributions either wholly or in part on quarterly basis.<sup>4</sup> Includes \$40,561,886 refunded in 1938 by Federal Government to 15 States, collected on pay rolls for 1936 under title IX of Social Security Act. Excludes

contributions through June 30, 1939, on wages earned by workers now subject to Railroad Unemployment Insurance Act.

<sup>5</sup> Interest represents earnings of funds in State accounts in unemployment trust fund and is credited at end of each quarter.<sup>6</sup> Net; adjusted for voided benefit checks and transfers under interstate combined wage plan.<sup>7</sup> Includes benefits paid through June 30, 1939, to workers now subject to the Railroad Unemployment Insurance Act.<sup>8</sup> California and Michigan data as of Nov. 30, 1945.<sup>9</sup> Excludes December 1945 data for California, Maine, and Michigan.<sup>10</sup> Excludes December 1945 data for California and Michigan.<sup>11</sup> Estimated.



payments for the quarter ended December 31 were almost 10 times the amount paid out during the preceding quarter. Ohio's percent of claims to covered employment—5.8—was the lowest in the region.

**Region VI.**—Continued claims decreased in all three States in the region, and initial claims rose only in Wisconsin. In Illinois, the decline from 49,000 to 46,000 in initial claims and from 486,000 to 449,000 in continued was accounted for by seasonal improvement in wholesale and retail trade and an increase in employment in finance, insurance, and real-estate establishments. The average weekly number of beneficiaries, continuing its decline from the all-time high of 111,000 in October 1945, stood at 87,000 in December.

In Indiana, initial claims dropped by 5,000 to 29,000—less than half the number in August, the high month. The \$10 million paid in benefits in the quarter ended December 31 was almost six times the amount in the preceding quarter. The average weekly number of beneficiaries totaled 68,000, the largest since the beginning of the program.

In Wisconsin, initial claims rose from 5,200 to 7,600. Benefit payments of \$3.2 million for the quarter ended December 31 were less than half the amount collected. Since the beginning of the program, only 16 percent of collections has been paid out in benefits, the lowest percentage for any jurisdiction except Alaska and Hawaii.

**Region VII.**—All six States reported increases in continued claims, and all except Mississippi reported decreases in initial claims. The average benefit payment ranged from \$13.47 in Mississippi to \$17.55 in Alabama. Benefit disbursements in Georgia about equaled the amount of collections received during the quarter and were almost four times as much in Alabama; in the other four States, collections exceeded benefits. In Alabama, benefit payments were weighted by payments to claimants from the manufacturing industry division, particularly transportation equipment and chemicals and allied products.

In Georgia, continued claims rose from 82,000 to 87,000; more than half were filed by men laid off from shipyards. Some of the increase was also due to lay-offs from miscellaneous es-

tablishments whose operations were primarily dependent upon the patronage of workers in war plants. An industrial dispute in Atlanta contributed to the volume of initial claims.

The increase in continued claims in Tennessee from 109,000 to 114,000 was caused by seasonal lay-offs in food-processing establishments and unfav-

orable weather conditions, which hampered construction work as well as lumber and logging operations.

**Region VIII.**—In each of the five States in the region, initial and continued claims increased. For the quarter, however, benefit payments were less than collections, and Minnesota, North Dakota, and South Dakota

Table 5.—Interstate claims received, weeks compensated by interstate payments, and amount of interstate benefit payments, by liable State, December 1945

[Data reported by State agencies, corrected to Jan. 15, 1946]

Social Security Board region and liable State	Claims received				Weeks compensated	Benefit payments
	Initial		Continued			
	Total	Female	Total	Female		
Total <sup>1</sup>	35,623	13,706	271,341	117,159	142,028	\$2,542,959
Region I:						
Connecticut	1,286	551	14,306	6,934	12,303	255,076
Maine	213	81	1,034	471	( <sup>2</sup> )	( <sup>3</sup> )
Massachusetts	842	394	4,818	2,574	3,745	72,708
New Hampshire	185	69	693	403	651	7,909
Rhode Island <sup>1</sup>						
Vermont	96	33	523	200	350	6,458
Region II-III:						
Delaware	237	71	1,779	638	1,692	29,430
New Jersey <sup>1</sup>						
New York	2,091	1,023	19,173	11,000	22,559	444,870
Pennsylvania	2,115	748	13,659	5,853	6,040	114,021
Region IV:						
District of Columbia <sup>1</sup>						
Maryland	1,494	533	31,747	16,293	26,569	523,457
North Carolina	532	293	6,571	5,102	4,845	66,855
Virginia	359	151	2,794	1,231	1,599	22,386
West Virginia	484	99	4,333	1,904	2,368	41,527
Region V:						
Kentucky	295	89	3,189	1,487	2,441	32,323
Michigan <sup>1</sup>						
Ohio <sup>1</sup>						
Region VI:						
Illinois <sup>1</sup>						
Indiana <sup>1</sup>						
Wisconsin <sup>1</sup>						
Region VII:						
Alabama	1,377	310	11,952	2,680	9,114	171,749
Florida <sup>1</sup>						
Georgia <sup>1</sup>						
Mississippi	297	182	2,159	1,023	1,089	14,932
South Carolina	188	95	838	442	327	5,062
Tennessee	2,567	539	19,275	4,388	6,934	100,097
Region VIII:						
Iowa <sup>1</sup>						
Minnesota <sup>1</sup>						
Nebraska <sup>1</sup>						
North Dakota	46	9	101	15	59	962
South Dakota	35	16	97	62	33	452
Region IX:						
Arkansas	348	97	1,687	699	936	11,402
Kansas	1,837	780	13,824	7,097	13,026	203,706
Missouri	1,369	764	( <sup>2</sup> )	( <sup>2</sup> )	11,228	185,516
Oklahoma	782	380	5,582	3,220	3,781	65,302
Region X:						
Louisiana <sup>1</sup>						
New Mexico	100	30	454	166	243	3,346
Texas	2,022	765	11,478	4,218	5,224	83,737
Region XI:						
Colorado	383	182	1,317	761	463	6,299
Idaho <sup>1</sup>						
Montana	139	41	561	160	231	3,134
Utah	140	39	779	264	506	11,807
Wyoming	133	23	424	135	208	3,937
Region XII:						
Arizona	454	192	2,576	1,329	1,552	22,650
California	12,531	5,063	90,402	36,960	( <sup>2</sup> )	( <sup>2</sup> )
Nevada	138	50	769	303	528	9,524
Oregon <sup>1</sup>						
Washington <sup>1</sup>						
Territories:						
Alaska	492	9	2,392	38	1,329	21,167
Hawaii	16	5	55	9	55	1,248

<sup>1</sup> Excludes District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Louisiana, Michigan, Minnesota, Nebraska, New Jersey, Ohio, Oregon, Rhode Island, Washington, and Wisconsin; data not reported.

<sup>2</sup> Excludes Missouri; data not reported.

<sup>3</sup> Excludes California and Maine; data not reported.

expended less than half the amounts collected. Funds available for benefits increased over amounts in the preceding quarter in each State. In December the ratio of claimants to persons in covered employment in

Table 6.—Comparison of all claims for week ended December 8, 1945, with average monthly employment of covered workers for the 12-month period ended March 1945, by State

State	All claims, week ended December 8 <sup>1</sup>	Average monthly covered employment, 12 months ended March 1945 <sup>2</sup>	Claims as percent of covered employment
Total.....	1,821,099	29,562,883	6.2
Region I:			
Connecticut.....	50,605	615,248	8.2
Maine.....	8,106	172,493	4.7
Massachusetts.....	47,991	1,352,247	3.5
New Hampshire.....	1,733	108,153	1.6
Rhode Island.....	20,219	220,191	8.8
Vermont.....	1,883	57,237	3.3
Region II-III:			
Delaware.....	4,233	81,615	5.2
New Jersey.....	136,440	1,221,952	11.2
New York.....	231,202	3,879,533	6.0
Pennsylvania.....	133,710	2,713,039	4.9
Region IV:			
Dist. of Columbia.....	1,302	187,999	.7
Maryland.....	26,466	507,833	5.2
North Carolina.....	11,465	541,740	2.1
Virginia.....	7,227	425,051	1.7
West Virginia.....	16,182	331,552	4.9
Region V:			
Kentucky.....	30,290	318,318	9.5
Michigan.....	151,198	1,548,654	9.8
Ohio.....	115,689	1,986,335	5.8
Region VI:			
Illinois.....	139,721	2,162,212	6.5
Indiana.....	55,332	853,892	6.5
Wisconsin.....	17,909	669,791	2.7
Region VII:			
Alabama.....	33,936	418,734	8.1
Florida.....	13,183	342,084	3.9
Georgia.....	24,100	484,799	5.0
Mississippi.....	7,056	161,299	4.4
South Carolina.....	4,479	232,655	1.8
Tennessee.....	28,352	498,243	5.8
Region VIII:			
Iowa.....	12,854	295,877	4.3
Minnesota.....	16,998	470,369	3.6
Nebraska.....	2,736	144,643	1.9
North Dakota.....	650	29,702	2.2
South Dakota.....	541	36,494	1.5
Region IX:			
Arkansas.....	17,098	187,541	9.1
Kansas.....	19,101	235,394	7.5
Missouri.....	58,545	726,228	8.1
Oklahoma.....	25,073	257,639	9.7
Region X:			
Louisiana.....	26,628	390,968	6.8
New Mexico.....	848	55,888	1.5
Texas.....	33,169	1,011,009	3.3
Region XI:			
Colorado.....	2,293	156,548	1.5
Idaho.....	1,699	66,435	2.6
Montana.....	2,312	70,897	3.3
Utah.....	2,558	98,031	2.6
Wyoming.....	251	40,223	.6
Region XII:			
Arizona.....	4,675	86,721	5.4
California.....	204,811	2,157,330	9.5
Nevada.....	819	28,931	2.8
Oregon.....	26,871	313,737	8.6
Washington.....	40,660	569,430	7.1

<sup>1</sup> Represents initial and continued claims.

<sup>2</sup> Represents average of workers in covered employment on last pay roll of each type (weekly, semi-monthly, etc.) in each month for April-December 1944 and on pay roll ending nearest the 15th of the month for January-March 1945.

each State was below the national average though each ratio was slightly higher than in November.

**Region IX.**—The proportion of claimants to persons in covered employment for each State in the region was 7.5 in Kansas, 8.1 in Missouri, 9.1 in Arkansas, and 9.7 in Oklahoma—all above the national average. Continued claims reached all-time highs in Kansas and Missouri, and both these States, as well as Oklahoma, reported new highs in the average weekly number of beneficiaries. Missouri had reached its record low for both continued claims and average weekly number of beneficiaries in the spring months of 1945. In December, interstate claims represented 62 and 44 percent, respectively, of continued claims in Arkansas and Oklahoma, the highest proportions in the region.

**Region X.**—In all three States, continued claims increased again for the sixth consecutive month, and Louisiana's 101,000 approached the high mark of 110,000 reached in May 1940. Benefit payments during the quarter ended December 31 were less than collections in each State and represented only 3 percent of collections in New Mexico.

**Region XI.**—The proportion of claimants to persons in covered employment—ranging from 0.6 in Wyoming, the lowest in the Nation, to 3.3 in Montana—was below the December national average in each State in the region. Both initial and continued claims increased except in Idaho, where initial claims declined slightly. Idaho was the only State of the 49 for which data are available in which benefit payments in the quarter ended December 31 were less than for the preceding quarter.

**Region XII.**—Initial claims declined in Arizona, California, and Washington and increased in Nevada and Oregon. All States in the region reported increases in continued claims. Although California's initial claims dropped from 111,000 to 92,000, employment conditions were reported as still unfavorable in the State. The drop could be attributed to the unusually high level reached in November, when the claimant load was weighted by claims from persons whose seasonal work was cut short by heavy rains and from others affected

by labor disputes. Though employment in retail trades was seasonally high in December, the number of veterans entering the labor market and the slackening of production caused by scarcity of materials tended to offset any seasonal increase in hirings. Continued claims reached 820,878, and the average weekly number of beneficiaries, 168,615—both the highest numbers since the beginning of the program. Oregon's initial claims rose from 19,000 to 34,000, the highest point since benefits were first payable. Since this figure included new claims filed prior to the beginning of the new benefit year on January 1, the increase was at least partly attributable to administrative factors. The State reported that a larger proportion of claims than in the preceding months was received from small towns.

In Washington, initial claims declined slightly to 24,278, but continued claims rose to a new high of 159,000, reflecting the effects of the closing of war plants, the return of military personnel, seasonal lay-offs of loggers, and the end of the agricultural season, which also affected the canning and preserving industries.

### Veterans' Readjustment Allowances

In November a weekly average of 218,000 veterans received readjustment allowances for unemployment, 77 percent more than in October and 198 percent more than in September. The upward trend in these figures since VE-day is indicated by the increase in the number of veterans receiving allowances in New York and Pennsylvania; in each State the number in November was larger than the United States total for May 1945. The amount paid in November—\$26 million—was almost double that in October and over three times the September amount. New York paid out more than \$3 million, and six other States—California, Illinois, Massachusetts, Michigan, New Jersey, and Texas—more than \$1 million.

In November, 81 percent more weeks were compensated for by readjustment allowances than in October and almost four times as many weeks as in September. New York and Pennsylvania reported the largest number compensated—172,000 and 170,000 weeks, respectively.

## Nonfarm Placements

The U. S. Employment Service made only 380,000 nonfarm placements in December (table 8), the smallest number since February 1944. Placements of women have been decreasing since July and in December were about 108,000—one-third the number in June. Although placements of non-

white persons made up 22 percent of all placements—a larger proportion than ever before—they hit a new low in number. Short-time placements also increased as a proportion of all placements but were the smallest in number since December 1943.

Placements decreased in all States except Arizona and South Carolina—the declines ranging from 0.2 percent

in New Hampshire to 35 percent in North Dakota. The range in decreases in the number of placements of women was wider—from 1.2 percent in Nevada to 46 percent in Delaware; increases occurred in 7 States, ranging from 2.3 percent in Arizona to 16.3 percent in Oklahoma. New York reported the largest number of non-white placements—almost 24,000; they were a third of all nonfarm placements in the State.

The proportion of placements in manufacturing plants has declined steadily throughout the year—from 62

Table 7.—Claims and payments for veterans' allowances, November 1945<sup>1</sup>

State <sup>2</sup>	Initial claims			Continued claims			Payments		
	Total	Type		Total	Type		Weeks compensated	Average weekly number of veterans <sup>3</sup>	Amount
		New claims	Additional claims		Lack of work	Illness or disability			
Total.....	403,583	370,590	32,993	1,416,158	1,392,989	23,169	1,218,084	217,661	\$25,801,641
Alabama.....	7,688	7,070	618	32,759	32,192	567	28,939	4,569	578,149
Alaska.....	108	96	12	154	154	0	138	21	2,410
Arizona.....	1,818	1,594	224	5,400	5,203	197	3,908	864	77,777
Arkansas.....	8,207	7,651	556	29,017	28,425	592	27,900	4,413	556,819
California.....	(4)	(4)	(4)	70,659	69,238	1,421	(4)	12,831	1,491,353
Colorado.....	1,917	1,608	309	3,802	3,683	119	3,157	502	62,654
Connecticut.....	8,030	6,801	1,229	30,035	29,493	542	22,225	4,343	443,641
Delaware.....	820	763	57	2,495	2,482	13	2,495	420	49,535
Dist. of Columbia.....	2,205	2,131	74	6,955	6,747	208	3,811	673	75,743
Florida.....	3,790	3,121	669	11,470	11,230	240	11,254	2,260	224,459
Georgia.....	8,110	7,497	613	28,674	28,324	350	27,908	3,476	556,984
Hawaii.....	25	23	2	75	75	0	73	11	1,384
Idaho.....	539	507	32	245	239	6	329	41	6,512
Illinois.....	22,452	20,553	1,899	62,311	61,707	604	54,600	8,738	1,084,139
Indiana.....	16,127	12,953	3,174	42,592	42,320	272	(4)	7,326	802,900
Iowa.....	4,434	4,095	339	12,632	12,393	239	12,046	1,928	239,371
Kansas.....	3,528	3,300	228	8,583	8,418	165	8,067	1,486	160,321
Kentucky.....	9,459	9,038	421	29,805	29,492	313	27,342	3,459	545,325
Louisiana.....	5,143	4,916	227	15,126	15,078	48	5,292	680	105,487
Maine.....	2,107	1,955	152	5,975	5,786	189	6,100	941	121,678
Maryland.....	3,942	3,942	0	14,327	14,288	39	14,327	2,643	284,975
Massachusetts.....	19,436	17,845	1,591	57,918	57,339	579	67,099	11,096	1,335,006
Michigan.....	26,892	26,225	667	97,009	95,132	1,877	88,702	12,267	1,770,669
Minnesota.....	10,704	9,988	709	30,458	30,318	140	27,126	4,483	540,278
Mississippi.....	3,264	3,000	264	10,118	9,954	164	8,501	1,433	169,125
Missouri.....	12,087	11,050	1,037	31,367	31,141	226	29,737	4,113	592,090
Montana.....	1,380	1,297	83	3,696	3,610	86	3,367	623	67,055
Nebraska.....	395	355	40	1,094	1,082	12	988	145	19,217
Nevada.....	148	118	30	538	530	8	662	107	13,169
New Hampshire.....	1,910	1,618	292	4,774	4,652	122	4,206	742	83,664
New Jersey.....	18,060	16,468	1,592	76,752	75,512	1,240	73,189	11,681	1,461,967
New Mexico.....	787	727	60	2,182	2,139	43	2,071	373	41,271
New York.....	61,906	55,068	6,838	178,133	176,242	1,891	171,699	28,661	3,424,769
North Carolina.....	5,028	4,190	838	19,465	18,519	946	14,725	2,918	283,456
North Dakota.....	280	256	24	459	449	10	314	38	6,233
Ohio.....	9,976	9,976	(4)	35,263	34,544	719	27,547	3,273	547,897
Oklahoma.....	4,327	4,120	207	11,484	11,457	27	6,958	1,394	138,557
Oregon.....	4,414	3,916	498	9,430	9,390	40	6,750	1,083	133,773
Pennsylvania.....	47,170	45,008	2,162	188,313	183,532	4,781	170,173	32,335	3,401,599
Puerto Rico.....	5,001	4,462	539	27,299	26,712	587	25,380	5,996	507,617
Rhode Island.....	1,868	1,660	208	5,739	5,639	100	5,741	1,125	114,583
South Carolina.....	4,086	3,395	691	16,828	16,081	747	13,750	2,676	274,236
South Dakota.....	368	324	44	862	863	1	863	102	13,235
Tennessee.....	9,311	8,750	561	41,105	40,768	337	30,567	5,104	609,717
Texas.....	18,516	17,317	1,199	81,172	79,843	1,329	76,459	13,781	1,526,180
Utah.....	796	771	25	1,375	1,372	3	1,326	206	26,263
Vermont.....	667	632	35	1,804	1,756	48	1,745	318	34,663
Virginia.....	3,885	3,706	179	11,489	11,204	285	11,489	1,588	228,547
Washington.....	4,502	4,082	420	7,299	7,215	84	6,116	1,153	121,193
West Virginia.....	10,404	9,470	934	35,536	35,093	443	32,647	4,692	651,882
Wisconsin.....	5,450	5,296	154	13,954	13,813	141	13,641	2,526	270,496
Wyoming.....	116	109	7	132	123	9	107	14	2,118

<sup>1</sup> Represents activities under provisions of title V of the Servicemen's Readjustment Act of 1944; excludes data for self-employed veterans.

<sup>2</sup> Includes Puerto Rico.

<sup>3</sup> Represents average weekly number of veterans paid readjustment allowances during weeks ended in month.

<sup>4</sup> Data not available.

<sup>5</sup> Estimated on basis of weekly reports because calendar month data not received.

Source: Data reported to Readjustment Allowance Division, Veterans Administration, by unemployment compensation agencies in 48 States, the District of Columbia, Alaska, and Hawaii, and by Veterans Administration for Puerto Rico.

Table 8.—Nonfarm placements by State, December 1945

U. S. Employment Service region and State	Total	Women	Veterans <sup>1</sup>
Total.....	380,295	107,835	122,214
Region I:			
Connecticut.....	4,900	1,634	1,659
Maine.....	2,428	494	1,039
Massachusetts.....	8,544	2,892	3,109
New Hampshire.....	1,742	446	705
Rhode Island.....	1,441	491	480
Vermont.....	730	128	468
Region II:			
New York.....	71,632	25,624	12,341
Region III:			
Delaware.....	638	135	244
New Jersey.....	11,915	3,932	3,174
Pennsylvania.....	15,771	4,882	5,763
Region IV:			
District of Columbia.....	2,761	720	766
Maryland.....	3,653	885	1,254
North Carolina.....	6,326	1,734	2,352
Virginia.....	7,030	1,641	2,373
West Virginia.....	2,603	862	837
Region V:			
Kentucky.....	3,530	809	1,197
Michigan.....	10,787	2,125	4,575
Ohio.....	19,327	5,770	6,718
Region VI:			
Illinois.....	15,657	3,653	6,884
Indiana.....	8,081	2,330	2,281
Wisconsin.....	8,251	2,209	4,006
Region VII:			
Alabama.....	8,570	2,196	2,455
Florida.....	9,371	3,602	3,104
Georgia.....	4,149	1,087	1,531
Mississippi.....	3,136	964	1,266
South Carolina.....	3,838	962	1,419
Tennessee.....	7,441	1,853	2,325
Region VIII:			
Iowa.....	5,195	1,037	2,492
Minnesota.....	8,650	1,521	3,641
Nebraska.....	3,042	540	1,291
North Dakota.....	816	166	225
South Dakota.....	957	200	451
Region IX:			
Arkansas.....	4,245	1,473	1,086
Kansas.....	4,162	1,100	1,614
Missouri.....	7,990	2,127	2,974
Oklahoma.....	4,857	1,272	2,118
Region X:			
Louisiana.....	3,299	861	1,362
New Mexico.....	1,486	237	677
Texas.....	23,920	6,329	7,104
Region XI:			
Colorado.....	5,054	639	1,838
Idaho.....	1,640	279	645
Montana.....	1,189	170	513
Utah.....	2,058	470	730
Wyoming.....	907	129	297
Region XII:			
Arizona.....	3,466	805	1,128
California.....	38,467	10,970	12,493
Nevada.....	1,793	497	451
Oregon.....	5,130	1,237	2,118
Washington.....	7,700	1,715	2,741

<sup>1</sup> Represents placements of veterans of all wars.

Source: Department of Labor, U. S. Employment Service.



percent of all placements in January to 42 percent in December, while placements in wholesale and retail trade and service establishments have increased in importance—from 8 percent in January to 16 and 19 percent, respectively, in December.

Almost a third of all nonfarm

placements were those of veterans; the largest proportion of all placements among the States was 64 percent in Vermont, and the smallest—17 percent—in New York. Placements of veterans in the different industries followed the general trend over the year of all nonfarm placements—

placements in manufacturing decreasing, relatively, from 59 percent in January to 43 percent in December, and the proportion of placements in wholesale and retail trade and service establishments increasing from 9 and 7 percent in January to 15 and 11 percent in December, respectively.

## Old-Age and Survivors Insurance

### Monthly Benefits in Force and Payments Certified, December 1945

Monthly benefits were in force at the end of December for almost 1.5 million beneficiaries (table 1), an increase of 32 percent over the number at the end of 1944 and 66 percent more than at the end of 1943. The largest proportionate increase during the year was for widow's benefits, 38 percent; the lowest, 25 percent, for parent's benefits. The percentage increases in the amount of benefits in force closely paralleled those for number for all types except primary and wife's benefits. For primary benefits, and consequently for wife's benefits, an increase in filing among older workers at higher wage levels, together

with the recomputation of several thousand previously awarded benefits, resulted in a slightly greater rate of increase in amount. During 1945 the number and amount of primary benefits in force increased 32.7 and 35.8 percent, respectively; for wife's benefits the corresponding increases were 33.8 and 36.4 percent, respectively.

The distribution by type of benefit was nearly the same at the end of 1945 as at the end of 1944. During the first half of the year, primary benefits continued to decrease slowly as a proportion of the total in force (from 41.2 percent at the end of December 1944 to 40.4 percent at the end of June 1945), but the large number of primary benefit awards during the last half of the year brought this propor-

tion up to 41.6 percent at the end of December 1945. The percentage distribution of benefits in force at the end of 1945 was as follows:

Type of benefit	Percentage distribution	
	Number	Amount
Monthly benefit.....	100.0	100.0
Primary.....	41.6	53.8
Wife's.....	12.3	8.5
Child's.....	28.4	19.0
Widow's.....	6.5	7.0
Widow's current.....	10.8	11.4
Parent's.....	.4	.3

The proportion of monthly benefits in conditional-payment status dropped from 14 percent at the end of December 1944 to 12 percent a year later. At the end of 1945, 23 percent of the widow's current benefits, 15 per-

Table 1.—Monthly benefits in force<sup>1</sup> in each payment status,<sup>2</sup> actions effected during the month, and payments certified, by type of benefit, December 1945

[Current month's data corrected to Jan. 11, 1946]

Status of benefit and action	Total		Primary		Wife's		Child's		Widow's		Widow's current		Parent's	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
In force as of Nov. 30, 1945.....	1,433,791	\$26,767,381	594,886	\$14,338,891	176,328	\$2,248,578	411,768	\$5,117,259	93,352	\$1,883,522	156,239	\$3,097,894	6,218	\$81,237
Current-payment status.....	1,255,792	23,164,462	501,786	12,131,575	154,101	1,974,141	383,054	4,767,879	91,715	1,850,979	119,013	2,359,883	6,123	80,005
Deferred-payment status.....	5,120	94,738	2,593	57,518	468	5,924	1,104	13,613	161	3,384	785	14,207	9	92
Conditional-payment status.....	177,879	3,508,181	90,507	2,149,798	21,759	268,513	27,610	335,767	1,476	29,159	36,441	723,804	86	1,140
Suspended.....	142,710	2,738,278	75,178	1,712,204	16,997	201,610	22,776	275,495	920	17,721	26,769	530,320	70	928
Frozen.....	35,169	769,903	15,329	437,594	4,762	66,903	4,834	60,272	556	11,438	9,672	193,484	16	212
Actions during December 1945:														
Benefits awarded.....	39,618	772,338	18,425	458,106	6,142	79,688	9,014	114,040	2,377	48,430	3,531	70,437	129	1,637
Entitlements terminated <sup>3</sup> .....	9,042	161,617	2,670	64,775	1,303	16,211	2,957	38,549	298	5,921	1,771	35,598	43	563
Net adjustment <sup>4</sup> .....	315	15,129	201	11,843	78	1,898	45	1,681	-8	-156	0	691	-1	-28
In force as of Dec. 31, 1945.....	1,469,682	27,394,031	610,842	14,744,065	181,245	2,313,953	417,870	5,194,431	95,423	1,925,875	157,999	3,133,424	6,303	82,283
Current-payment status.....	1,288,107	23,801,131	518,234	12,538,210	159,168	2,039,880	390,134	4,857,548	93,781	1,893,051	120,581	2,391,375	6,209	81,067
Deferred-payment status.....	4,722	86,544	2,447	53,410	426	5,151	979	11,967	140	2,903	722	13,028	8	85
Conditional-payment status.....	176,853	3,506,356	90,161	2,152,445	21,651	268,922	26,757	324,916	1,502	29,921	36,696	729,021	86	1,131
Suspended.....	141,222	2,723,844	74,410	1,703,231	16,758	200,145	22,030	266,177	942	18,306	27,009	535,029	73	956
Frozen.....	35,631	782,512	15,761	449,214	4,893	68,777	4,727	68,739	560	11,615	9,687	193,992	13	175
Payments certified in December <sup>5</sup> .....	27,094,950		13,226,918		2,164,559		5,190,293		1,991,674		2,577,360			86,935

<sup>1</sup> Represents total benefits awarded after adjustment for subsequent changes in number and amount of benefits (see footnote 4) and terminations (see footnote 3), cumulative from January 1940.

<sup>2</sup> Benefit in current-payment status is subject to no deduction or only to deduction of fixed amount which is less than current month's benefit. Benefit in deferred-payment status is one withheld entirely for a known period. Benefit in conditional-payment status is one withheld entirely for an indefinite period; if previously in current or deferred-payment status, it is a suspended benefit; otherwise it is a frozen benefit.

<sup>3</sup> Benefits are terminated when a beneficiary dies or loses entitlement to benefits for the reasons specified in 1939 amendments, sec. 202.

<sup>4</sup> Adjustments result from operation of maximum and minimum provisions of 1939 amendments, sec. 203 (a) and (b), and from other administrative actions.

<sup>5</sup> Distribution by type of benefit estimated; includes retroactive payments. Includes \$1,855,877 paid as lump-sum benefits under 1939 amendments (payable with respect to workers who died after December 1939, if no survivor could be entitled to monthly benefits for month in which worker died) and \$1,334 paid as lump-sum benefits under 1935 act (payable with respect to workers who died before January 1940).



cent of the primary benefits, and 12 percent of the wife's benefits were in conditional-payment status.

Monthly benefit certifications of

\$25.2 million in December brought the total for 1945 to \$261.6 million, one-third more than the amount certified in 1944. Lump-sum certifications in

1945 totaled \$26.1 million, an increase of 18 percent over the 1944 figure.

### Employers, Workers, and Taxable Wages, Third Quarter, 1945

Average taxable wages, estimated at \$414 per worker during the third quarter of 1945, were 14 percent less than in the preceding quarter. In the third quarter of 1944 and 1943, on the other hand, the averages declined only 6 and 5 percent, respectively. Total taxable wages also fell 15 percent below the second-quarter total and were 8 percent less than in the third quarter of 1944.

Average taxable wages usually decline seasonally from the second to the third quarter as young workers enter the labor market, either temporarily during the summer vacation or more permanently when they finish school. In 1945, however, the short-term employment of a large number of persons displaced from their jobs in war plants after VJ-day and a reduction in weekly earnings resulting from the shortened work-week in many industries intensified the decline in average wages and also caused the drop in total taxable wages.

The estimated number of persons in covered employment at some time during the third quarter, on the other hand, declined only slightly, because of the relatively high level of employment before the Japanese surrender.

The upward trend in the estimated number of employers reporting taxable wage payments continued in the third quarter, when the total rose to 2.2 million, 1 percent more than in April-June and 4 percent more than in July-September 1944. The increase from second to third quarter was the first since 1941.

### Monthly Benefits and Lump-Sum Payments Awarded, October-December 1945

During the last quarter of 1945, almost 134,000 monthly benefits were awarded, one-fourth more than in the

Table 2.—Estimated number of employers and workers and estimated amount of taxable wages included under the old-age and survivors insurance program, by specified period, 1937-45

[Corrected to Jan. 15, 1946]

Calendar year and quarter	Employers reporting taxable wages <sup>1</sup> (in thousands)	Workers with taxable wages during period <sup>2</sup> (in thousands)	Taxable wages <sup>3</sup>	
			Total (in millions)	Average per worker
1937	2,421	32,904	\$29,615	\$900
1938	2,239	31,822	26,502	833
1939	2,365	33,751	29,745	881
1940	2,520	35,393	32,974	932
1941	2,705	40,976	41,763	1,019
1942	2,703	46,928	52,939	1,128
1943	2,452	48,579	62,839	1,294
1944 <sup>4</sup>	2,523	47,518	65,533	1,379
1938				
January-March	1,880	25,332	6,580	260
April-June	1,953	25,423	6,378	259
July-September	1,960	26,252	6,547	249
October-December	1,975	26,759	6,797	254
1939				
January-March	1,967	25,856	7,281	282
April-June	2,034	27,245	7,445	273
July-September	2,065	28,022	7,445	266
October-December	2,103	28,851	7,574	263
1940				
January-March	2,089	27,314	8,060	295
April-June	2,162	28,345	8,094	286
July-September	2,219	29,542	8,222	278
October-December	2,226	30,280	8,598	264
1941				
January-March	2,247	30,389	9,501	313
April-June	2,317	32,634	10,285	315
July-September	2,354	34,522	10,824	314
October-December	2,317	34,051	11,153	328
1942				
January-March	2,251	33,967	12,112	357
April-June	2,233	35,735	13,163	368
July-September	2,174	37,197	13,786	371
October-December	2,096	37,083	13,878	374
1943				
January-March	2,028	36,951	15,608	422
April-June	2,070	37,927	16,644	439
July-September	2,066	38,181	15,924	417
October-December	2,076	36,503	14,663	402
1944				
January-March <sup>4</sup>	2,084	36,044	17,649	490
April-June <sup>4</sup>	2,123	37,023	17,610	476
July-September <sup>4</sup>	2,114	37,019	16,494	446
October-December <sup>4</sup>	2,093	34,791	13,780	396
1945				
January-March <sup>4</sup>	2,132	36,896	18,242	494
April-June <sup>4</sup>	2,179	37,100	17,771	479
July-September <sup>4</sup>	2,200	36,500	15,100	414

<sup>1</sup> Number corresponds to number of employer returns. A return may relate to more than 1 establishment if employer operates several separate establishments but reports for concern as a whole.

<sup>2</sup> Excludes estimated duplication arising from recording of wages of some workers under more than 1 account. Quarterly estimates exclude workers whose earnings in covered employment were not reported in the quarter because of the \$3,000 limitation on taxable wages.

<sup>3</sup> Includes nontaxable wages erroneously reported and wages not counted in determining insurance benefits. All wages over \$3,000 a year paid to a worker by a single employer are not taxable. Beginning with 1940 all wages in excess of \$3,000 a year received by any 1 worker are excluded in benefit computations.

<sup>4</sup> Preliminary; figures for other years also subject to revision but to a relatively small extent as compared with those for 1944-45.

preceding quarter (table 3). The greatest proportionate increases were for primary and wife's benefits (44 and 42 percent, respectively) as many older workers lost their employment after the cessation of hostilities and filed for benefits. The number of widow's current benefits awarded was 3 percent less during the third quarter, and the number of child's benefits, 4 percent more; for both types, awards during the last 2 quarters of the year were much fewer than in the first 2 quarters, when there was a large volume of awards resulting from war deaths.

For each type of benefit, more awards were processed in 1945 than in any previous year. More than 462,000 monthly benefits were awarded, an increase of 45 percent over 1944. Primary and wife's benefits increased 68 and 56 percent, respectively. Widow's benefits increased by only 21 percent. For widow's current, child's, and parent's benefits, the percentages were 29, 28, and 24, respectively.

During the year, 247,000 lump-sum death payments were awarded, one-fifth more than in 1944.

Table 3.—Number of monthly benefits and lump-sum death payments awarded, by type of benefit and by quarter, 1940-45

[Corrected to Jan. 11, 1946]

Year and quarter	Monthly benefits						Lump-sum death payments <sup>1</sup>
	Total	Primary	Wife's	Child's	Widow's	Widow's current	Parent's
<b>1940</b>							
Jan.-Mar.	40,780	23,211	4,366	5,978	168	2,057	0
Apr.-June.	67,824	33,955	8,468	17,408	885	6,885	223
July-Sept.	76,113	38,245	11,981	17,220	1,560	6,782	325
Oct.-Dec.	70,267	31,924	9,740	18,776	1,987	7,536	304
<b>1941</b>							
Jan.-Mar.	74,567	32,802	9,901	20,597	2,703	8,227	337
Apr.-June.	68,074	28,879	8,962	18,021	2,617	7,278	317
July-Sept.	65,593	27,238	8,898	18,745	2,786	7,632	294
Oct.-Dec.	63,052	25,741	8,452	18,256	2,914	7,365	324
<b>1942</b>							
Jan.-Mar.	68,181	27,609	9,161	19,596	3,505	8,027	283
Apr.-June.	67,679	26,878	8,649	19,991	3,690	8,134	337
July-Sept.	62,161	23,826	8,013	18,894	3,475	7,624	329
Oct.-Dec.	60,095	21,309	7,427	18,903	4,104	8,035	317
<b>1943</b>							
Jan.-Mar.	67,750	23,754	8,112	21,503	4,975	9,078	328
Apr.-June.	69,757	23,803	8,372	22,811	5,051	9,387	333
July-Sept.	63,501	21,378	7,896	20,764	4,695	8,476	292
Oct.-Dec.	61,857	20,135	7,536	20,541	4,855	8,479	311
<b>1944</b>							
Jan.-Mar.	75,807	25,474	9,401	23,978	6,416	10,225	313
Apr.-June.	79,003	27,907	10,150	24,442	6,086	10,067	351
July-Sept.	78,976	27,607	10,066	24,589	5,804	10,559	351
Oct.-Dec.	85,163	29,109	10,732	26,667	6,453	11,798	404
<b>1945</b>							
Jan.-Mar.	104,064	35,613	12,587	33,025	7,730	14,689	420
Apr.-June.	117,857	41,116	14,454	37,208	7,954	16,614	511
July-Sept.	106,782	44,493	14,908	28,058	6,821	12,096	406
Oct.-Dec.	133,766	63,950	21,131	29,218	7,337	11,711	419

<sup>1</sup> Under 1939 amendments.

## Public Assistance

### Program Operations

All States, Alaska, and Hawaii have State-Federal programs of old-age assistance; only 1 State administers aid to dependent children under State law only; 3 States administer State or State-local programs of aid to the blind. The comparison between the number of recipients and the amount of payments in all States and in those with plans approved by the Social Security Board reflects the extent of the coverage of the latter programs (table 1). The number of recipients and amount of payments under old-age assistance programs in all States are, of course, identical with those in States with plans approved. The difference is very slight for aid to dependent children, the very small excess in number of recipients and in amount of payments in all States representing only data for the locally administered program in Nevada. The difference between the two series was narrowed slightly during the year by

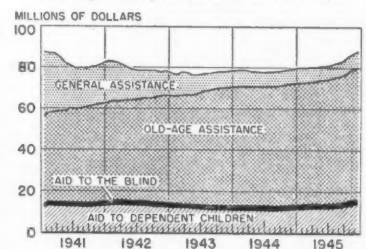
Alaska's change in July from a Territorial program only to one with Federal participation.

In contrast to the situation in old-age assistance and aid to dependent children, State or State-local programs of aid to the blind aided almost one-fourth of all blind recipients in December 1945 and accounted for one-fourth of the total amount expended for this type of assistance. Missouri, Nevada, and Pennsylvania provide aid to the blind under State laws only.

The major part of the difference between the \$88-million total expenditures for public assistance under all programs in December 1945 and the \$79 million expended under State-Federal programs is, of course, the \$8 million expended by States and localities for general assistance (table 1).

The increase in number of recipients of general assistance from November to December—14,000 cases or 5.5 percent—was considerably larger than the increases in the other pro-

Chart 1.—Public assistance in the United States, January 1941–December 1945



grams. Percentage increases in the other programs were 2.3 percent in number of families and 2.6 percent in number of children receiving aid to dependent children, and 0.4 and 0.8 percent, respectively, in number of recipients of old-age assistance and aid to the blind (tables 2-5).

General assistance case loads rose more than 10 percent in at least 10 States. The percentage increase in Michigan and Washington and in three States with small case loads was one-fifth or more.

More families received aid to dependent children in December than in

Chart 2.—Recipients of public assistance, January 1940–December 1945

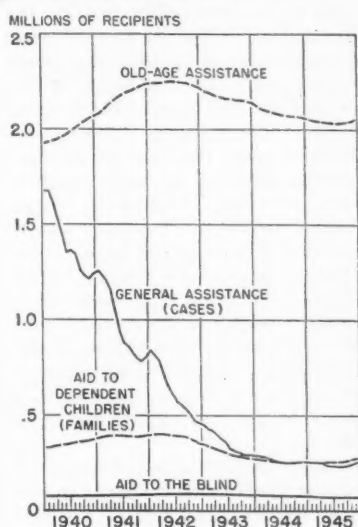
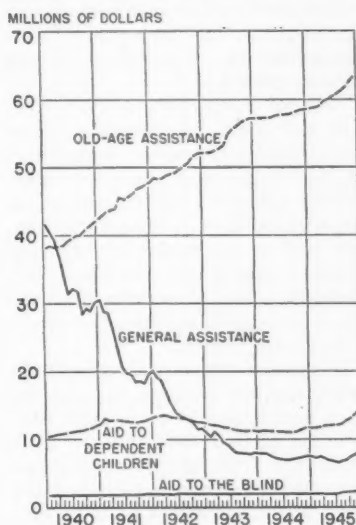


Chart 3.—Payments to recipients of public assistance, January 1940–December 1945



November in all but two States. The increase was at least 5 percent in the District of Columbia, Louisiana, and Pennsylvania.

Increases in average payments also were most general in general assistance. Increases of \$1 or more per case occurred in about one-third of the States which furnished these data for both November and December.

State differences in recipient rates for each of the special types of assistance in December 1945 are presented in table 6.

### Recent Trends in Number of Applications for Assistance

Administrators of public assistance were aware that the end of the war would precipitate changes in the economic situations of marginal workers that would, in time, reverse the downward trend in the number of recipients of assistance. They knew that

Table 1.—Public assistance in the United States and in States with plans approved by the Social Security Board, by month, December 1944–December 1945<sup>1</sup>

Year and month	All States <sup>2</sup>					States with approved plans					
	Total	Old-age assistance	Aid to dependent children		Aid to the blind	General assistance <sup>3</sup>	Total	Old-age assistance	Aid to dependent children		Aid to the blind
			Families	Children					Families	Children	
Number of recipients											
1944											
December		2,065,987	253,725	638,987	72,301	258,000		2,065,987	253,620	638,748	56,354
1945											
January		2,059,148	254,722	642,116	72,060	259,000		2,059,148	254,616	641,892	56,236
February		2,052,830	255,284	643,803	71,843	258,000		2,052,830	255,182	643,577	56,012
March		2,048,740	256,065	646,164	71,603	258,000		2,048,740	255,961	645,925	55,836
April		2,044,062	256,034	646,729	71,466	251,000		2,044,062	255,929	646,493	55,705
May		2,040,661	255,983	646,828	71,254	237,000		2,040,661	255,887	646,604	55,553
June		2,038,395	255,675	646,808	71,143	234,000		2,038,395	255,578	646,582	55,465
July		2,034,531	254,310	644,088	70,935	231,000		2,034,531	254,246	643,962	55,353
August		2,033,135	255,114	647,187	70,850	229,000		2,033,135	255,051	647,065	55,258
September		2,034,541	258,589	657,861	70,654	232,000		2,034,541	258,525	657,737	54,968
October		2,039,661	263,003	669,317	70,699	239,000		2,039,661	262,939	669,194	54,989
November		2,047,405	268,213	683,899	70,886	242,000		2,047,405	268,150	683,774	55,151
December		2,055,851	274,300	701,803	71,453	256,000		2,055,851	274,236	701,677	55,622
Amount of assistance											
1944											
December	\$79,839,647	\$58,725,703	\$11,563,589		\$2,119,355	\$7,431,000	\$71,942,823	\$58,725,703	\$11,559,814		\$1,657,306
1945											
January	79,977,477	58,736,591	11,635,258		2,119,328	7,486,000	72,029,348	58,736,591	11,631,515		1,660,939
February	79,805,022	58,693,475	11,741,862		2,120,685	7,249,000	72,093,417	58,693,475	11,738,197		1,661,745
March	80,357,200	58,856,126	11,903,031		2,119,043	7,479,000	72,418,690	58,856,126	11,899,276		1,663,288
April	80,192,455	59,062,140	11,987,848		2,117,467	7,025,000	72,709,186	59,062,140	11,984,203		1,662,843
May	80,890,492	59,825,582	12,037,783		2,124,127	6,903,000	73,528,553	59,825,582	12,034,293		1,668,678
June	81,123,746	60,047,047	12,133,574		2,147,125	6,796,000	73,856,196	60,047,047	12,130,014		1,679,135
July	81,399,186	60,536,297	12,091,159		2,153,730	6,618,000	74,305,561	60,536,297	12,089,224		1,680,040
August	82,321,517	60,943,111	12,260,634		2,278,772	6,539,000	74,887,040	60,943,111	12,258,759		1,685,170
September	83,243,795	61,393,799	12,654,076		2,305,920	6,890,000	75,756,291	61,393,799	12,652,161		1,710,331
October	85,196,850	62,137,738	13,171,371		2,346,741	7,541,000	77,056,011	62,137,738	13,169,456		1,748,817
November	86,660,758	62,828,837	13,772,103		2,364,818	7,695,000	78,365,137	62,828,837	13,770,108		1,766,192
December	88,428,913	63,361,293	14,278,421		2,395,199	8,394,000	79,430,858	63,361,293	14,276,416		1,793,149

<sup>1</sup> Data exclude programs administered without Federal participation in States which administer such programs concurrently with programs of the same type of assistance under the Social Security Act.

<sup>2</sup> For monthly data before 1944 for the continental United States, see the Bulletin, February 1944, p. 27. Beginning with March 1945 Bulletin, data cover 15 jurisdictions.

<sup>3</sup> Partly estimated and subject to revision.

some persons who had been employed during the war but were unable to accumulate savings would apply for assistance immediately. Others would delay applications until resources—sometimes including unemployment insurance—had been exhausted.

Trends in the numbers of applications for assistance constitute quicker and more sensitive gauges of changes in the economic situation of persons with marginal income than do trends in case loads. Changes in the size of assistance rolls are delayed by the time required to establish eligibility, especially in the categorical programs.

### Program Variation in Application Trends

The wartime decline in the number of persons applying for assistance was reversed even before the close of the war in Europe. Local cut-backs in war industries and consequent increases in the number of applications for assistance were reported by some States, while the trend in applications in other States was still downward.

The underlying trend in assistance applications is obscured by seasonal fluctuations. A change in trend is most easily detected when the figures

for a given month are compared with those for the same month of the preceding year. When such comparisons first begin to show an increase in applications, the trend has already turned upward.

**General assistance.**—Just as general assistance responded most quickly and drastically to the upswing of war employment, so it was most quickly affected when the volume of employment took a downward turn. The peak in war production occurred about the end of 1943, and almost immediately after the peak was past the trend in general assistance applications turned upward.

If seasonal influences had not been active, applications for general assistance would have been at their lowest point early in 1944. On the basis of reports from 27 States, applications for general assistance were more numerous in July 1944 than in July 1943, and similar comparisons for successive pairs of months since then have generally shown more applications in the later month. In each month since July 1944, data collected in 19 of the largest cities in the country show more cases opened because of loss of a job or earnings than closed

because of getting a job or increase in earnings.

**Aid to dependent children.**—For the country as a whole, an upward trend in the number of applications for aid to dependent children began in the last half of 1944. Part of the increase in these applications, however, resulted from the transfer to aid to dependent children of some children who previously had been aided through payments of old-age assistance or aid to the blind made to another person in the family. Such transfers, resulting from a clarification of Federal matching policy, considerably increased the number of applications in some States and affected the national trend during the last quarter of 1944 and the first part of 1945.

**Old-age assistance.**—In old-age assistance a less marked decline in applications characteristic of the war period stopped early in 1945. The number of persons applying each month, beginning March 1945, has been somewhat larger than the number who applied in the corresponding month of 1944. In each month of 1945, the number of applications for old-age assistance has almost

Table 2.—Old-age assistance: Recipients and payments to recipients, by State, December 1945<sup>1</sup>

State	Number of recipients	Payments to recipients		Percentage change from—				State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	November 1945 in—		December 1944 in—				Total amount	Average	November 1945 in—		December 1944 in—	
				Number	Amount	Number	Amount					Number	Amount	Number	Amount
Total.	2,055,851	\$63,361,293	\$30.82	+0.4	+0.8	-0.5	+7.9	Mo. ....	101,589	\$2,657,886	\$26.16	+0.5	+2.3	-0.5	+14.1
Ala. ....	34,076	529,138	15.53	+8	+1.1	+10.3	+7.7	Mont. ....	10,719	343,638	32.06	+5	+8	-1.5	+5.5
Alaska. ....	1,341	52,367	39.05	-3	+9	+4	+19.0	Nebr. ....	23,967	762,336	31.81	+4	+1.5	-2.8	+11.1
Ariz. ....	9,505	367,801	38.70	+3	+3	-2	+4	Nev. ....	1,936	74,716	38.59	-1	(2)	-1.1	-4
Ark. ....	25,801	428,407	16.60	-4	-1	-8.9	-15.5	N. H. ....	6,579	201,222	30.59	+6	+1.3	-6	+6.0
Calif. ....	159,565	7,569,864	47.44	+5	+5	+8	+1.2	N. J. ....	23,189	757,379	32.66	-2	+3	-5.8	+5
Colo. ....	40,408	1,675,607	41.47	+3	+4	-9	-5	N. Mex. ....	6,162	190,486	30.91	+1.0	+9	+10.7	+6.0
Conn. ....	14,239	562,991	39.54	+8	+7	+7	+13.4	N. Y. ....	103,851	3,929,751	37.84	+2	+3	-2.0	+7.3
Del. ....	1,213	21,606	17.81	-4	+2.3	-14.8	+1.5	N. C. ....	32,974	447,316	13.57	+3	+2.2	-1	+14.7
D. C. ....	2,317	81,620	35.23	-1.4	-6.2	-9.6	-4.6	N. Dak. ....	8,640	292,952	33.91	(3)	(3)	-1.3	+4.0
Fla. ....	42,623	1,261,416	29.59	+9	+1.4	+7.2	+11.1	Ohio. ....	117,107	3,620,961	30.92	(2)	+6	-4.1	+1.1
Ga. ....	66,642	783,850	11.76	-1	+1	-1.5	+3.5	Okla. ....	81,956	2,884,565	35.20	+9	+1.0	+6.3	+30.8
Hawaii. ....	1,461	36,240	24.80	+6	+2.5	+3	+11.0	Oreg. ....	20,528	791,620	38.56	+8	+1.5	+3.6	+15.7
Idaho. ....	9,699	314,469	32.42	+2	+7	-7	+6.3	Pa. ....	83,871	2,585,269	30.82	+7	+8	-3	+5.8
Ill. ....	122,525	4,078,235	33.28	+5	+1.1	-1.2	+5.5	R. I. ....	7,426	257,012	34.61	+5	+9	+2.9	+8.4
Ind. ....	54,354	1,417,175	26.07	+4	+8	-5.4	-1.0	S. C. ....	21,977	348,678	15.87	+6	+8	+2.7	+17.0
Iowa. ....	48,694	1,598,062	32.82	-1	+5	-3.4	+4.3	S. Dak. ....	12,712	336,678	26.49	+4	+1.0	-1.3	+8.8
Kans. ....	28,465	862,745	30.31	+6	+1.6	+4.8	+4.8	Tenn. ....	37,967	612,194	16.12	+1	+3	-9	-3.7
Ky. ....	46,966	534,073	11.59	-3	-2	-11.5	-9.3	Tex. ....	173,690	4,243,712	24.43	+6	+1.5	+2.4	+15.1
La. ....	36,910	856,673	23.21	+3.0	+2.7	+1.2	+5.2	Utah. ....	12,797	406,993	38.84	(3)	(3)	-2.7	+2.2
Maine. ....	14,950	452,227	30.25	+4	+9	-3	+5.6	Vt. ....	5,149	120,387	23.38	-1.0	-6	+1.3	+13.8
Md. ....	11,557	328,684	28.44	(2)	+4	-3.2	+2.2	Va. ....	14,971	224,715	15.01	+2	+1.4	-4.2	+9.2
Mass. ....	75,900	3,350,341	44.14	+3	+5	+3	+7.1	Wash. ....	62,689	3,159,806	50.40	-3	-1	+4.5	+39.0
Mich. ....	86,527	2,837,708	32.80	+8	+1.4	+1.5	+11.3	W. Va. ....	18,413	309,409	16.80	+3	+4	-1.2	-8.7
Minn. ....	54,278	1,772,039	32.65	+1	+9	-3.3	+8.0	Wis. ....	45,652	1,372,911	30.07	+7	+1.1	-1.4	+4.8
Miss. ....	26,791	431,440	16.10	-3	+3	-5.9	+2.4	Wyo. ....	3,433	133,923	39.01	+5	+8.1	+1.7	+21.3

<sup>1</sup> For definitions of terms see the *Bulletin*, July 1945, pp. 27-28. All data subject to revision.

<sup>2</sup> Increase of less than 0.05 percent.

<sup>3</sup> Decrease of less than 0.05 percent.



Table 3.—General assistance: Cases and payments to cases, by State, December 1945<sup>1</sup>

State	Number of cases	Payments to cases		Percentage change from—			
		Total amount	Average	November 1945 in—		December 1944 in—	
				Number	Amount	Number	Amount
Total <sup>2</sup>	256,000	\$8,394,000	\$32.83	+5.5	+9.1	-1.0	+13.0
Ala.	3,527	50,550	14.33	+1.0	+1.4	+17.8	+17.5
Alaska	2,254	6,169	24.29	+48.5	-2.5	+106.5	+66.6
Ariz.	2,088	65,779	31.50	+4.6	+7.6	-1.7	+3.9
Ark.	2,613	31,474	12.05	+1.2	-1	-7.5	-4.8
Calif.	14,367	572,410	39.84	+6.4	+7.0	+27.2	+38.9
Colo.	3,214	103,751	32.28	+4.9	+5.6	-30.8	-26.0
Conn.	2,958	108,125	36.55	+9.0	+13.1	+15.0	+22.2
Del.	374	9,849	26.33	+5.9	+4.9	+11.0	+16.3
D. C.	737	29,601	40.16	+2.4	-2.2	-12.9	-9.3
Fla.	3,600	57,000					
Ga.	2,796	36,729	13.14	+7.1	+13.5	-4.1	-4.8
Hawaii	594	20,539	34.58	-2.9	+3.8	+5.7	+20.4
Idaho	486	11,411	23.48	-1.6	+8	-20.6	-9.4
Ill.	20,218	767,015	37.94	+2.2	+5.2	-19.4	-6.4
Ind.	7,294	173,325	23.76	+7.5	+11.2	+23.4	+37.3
Iowa	4,020	89,791	22.34	+5.6	+11.6	-6.6	+1.2
Kans.	3,413	108,005	31.65	+3.5	+4.6	+1.9	+14.3
Ky.	1,600	26,000					
La.	6,810	142,864	20.98	-5.6	-6.7	+4.6	+24.5
Maine	2,052	74,167	36.14	+4.4	+14.2	+2.0	+16.2
Md.	5,858	207,818	35.48	+3.9	+5.0	+28.3	+33.0
Mass.	12,901	481,462	37.32	+2.2	+7.7	+1.1	+7.8
Mich.	16,583	703,474	42.42	+23.5	+39.6	+61.7	+102.7
Minn.	5,281	173,409	32.84	+7.3	+12.6	-8.2	+7.8
Miss.	346	2,904	8.39	+2.4	-1.8	+10.5	+25.9
Mo.	8,632	200,258	23.20	+4.2	+5.2	+2.8	-15.2
Mont.	1,188	28,343	23.86	+17.2	+10.6	-4.3	-4.1
Nebr.	1,847	43,658	23.64	+5.2	+9.7	+7.1	+18.2
Nev.	250	5,507	22.03	+20.2	+9.9	+4.2	+25.1
N. H.	1,165	35,282	30.28	+3.4	+7.0	-10.5	-5.2
N. J.	4,911	179,678	36.59	+4.2	+9.0	-3	+7.7
N. Mex.	1,391	25,061	18.02	+10.3	+11.0	+33.1	+17.8
N. Y.	35,491	1,700,096	48.02	+3.4	+3.9	-8.3	-3.1
N. C.	2,762	31,868	11.54	+11.5	+8.3	-2.6	+19.4
N. Dak.	649	16,744	25.80	+5.4	+3.7	-6.2	+8.0
Ohio	12,915	419,431	32.48	+6.7	+14.3	+12.3	+26.2
Okl.	10,548	51,560	(10)	+32.3	(10)		+37.5
Oreg.	4,159	189,921	45.67	+13.7	+15.4	+19.3	+44.2
Pa.	21,333	563,140	27.80	+3.9	+1.6	+2.9	+18.4
R. I.	1,985	82,426	41.52	+5.0	+12.4	+0.5	+29.1
S. C.	3,185	44,141	13.86	+2.1	+2.7	+20.9	+56.9
S. Dak.	722	16,566	22.94	-1.6	-4.2	-21.3	-15.0
Tenn.	1,600	14,100					
Tex.	2,900	49,000					
Utah	1,439	59,674	41.47	+4.1	+4.9	-9	+4.1
Vt.	858	23,214	27.06	+34.9	+57.1	-7.0	+10.0
Va.	3,037	52,111	17.16	+1.1	+2.7	-2.3	+13.8
Wash.	8,107	394,337	48.64	+10.4	+17.6	-44.9	+39.6
W. Va.	4,076	66,717	16.37	+2.6	+30.5	-16.8	-22.0
Wis.	4,608	124,746	27.07	-2.0	-8	-5.9	-6.8
Wyo.	326	10,526	32.29	+12.0	+12.4	-5.8	+9.2

<sup>1</sup> For definitions of terms see the *Bulletin*, July 1945, pp. 27-28. All data subject to revision.

<sup>2</sup> Partly estimated; does not represent sum of State figures, because total excludes payments for, and an estimated number of cases receiving, medical care, hospitalization, and burial only in Indiana and New Jersey, and estimated duplication of cases in Oklahoma.

<sup>3</sup> State program only; excludes program administered by local officials.

<sup>4</sup> Based on actual reports including an estimated 97 percent of cases and payments.

<sup>5</sup> Estimated.

<sup>6</sup> Excludes assistance in kind and cases receiving assistance in kind only and for a few counties, cash payments and cases receiving cash payments. Amount of payments shown represents approximately 60 percent of total.

<sup>7</sup> Includes unknown number of cases receiving medical care, hospitalization, and burial only, and total payments for these services.

<sup>8</sup> Excludes a few cases and a small amount of local funds not administered by the State agency.

<sup>9</sup> Includes cases receiving medical care only; number believed by State agency to be insignificant.

<sup>10</sup> Represents 1,793 cases aided by county commissioners and 3,255 cases aided under program administered by State Board of Public Welfare; amount of duplication believed to be large; average per case and percentage change in number of cases cannot be computed.

Table 4.—Aid to the blind: Recipients and payments to recipients, by State, December 1945<sup>1</sup>

State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	November 1945 in—		December 1944 in—	
				Number	Amount	Number	Amount
Total	71,453	\$2,395,199	\$33.52	+0.8	+1.3	-1.3	+13.0
Total, 47 States <sup>2</sup>	55,622	1,793,149	32.24	+9	+1.5	-1.3	+8.2
Ala.	791	12,634	15.97	+1.2	+9	+5.7	+3.4
Ariz.	467	21,853	46.79	+1.5	+1.5	+7.4	+12.0
Ark.	1,136	20,989	18.48	-9	-7	-8.8	-16.0
Calif.	5,501	318,776	57.95	+1.3	+1.3	-3.1	+18.2
Colo.	442	16,143	36.52	-7	-8	-12.1	-11.3
Conn.	135	5,588	41.39	+2.3	+6.5	+7	+23.1
Del.	9	316	(1)	(1)	(1)	(1)	(1)
D. C.	193	7,544	39.09	0	-5.0	-13.1	-9.5
Fla.	2,306	70,692	30.66	+2	+8	+1.1	+4.5
Ga.	2,016	29,214	14.49	-3	+1	-3.3	-1
Hawaii	62	1,640	26.45	(1)	(1)	(1)	(1)
Idaho	199	6,843	34.39	-1.0	+1	-6.6	+8
Ill.	5,006	176,634	34.67	+3	+9	-2.6	+3.5
Ind.	1,926	56,648	29.41	-1.1	-1.2	-10.0	-12.2
Iowa	1,209	44,622	36.91	0	+1.1	-7.6	+4.7
Kans.	1,046	34,258	32.75	+3	+1.6	-2.8	+1.9
Ky.	1,556	20,371	13.09	+1	+4	-4.0	-3.2
La.	1,364	36,154	26.51	+7	-2	-3.1	-5
Maine	808	25,311	31.33	+2	+6	-3.4	+4.1
Md.	432	13,720	31.76	-2	-6	-4.2	+1.5
Mass.	1,008	46,421	46.05	+1.5	+2.8	+6.1	+15.7
Mich.	1,274	45,606	35.80	+1.4	+1.7	+1.8	+8.1
Minn.	948	37,191	39.23	+2	+2.3	+1.8	+11.3
Miss.	1,459	32,906	22.55	+3	+3	+8	+34.8
Mo.	2,817	84,510	29.00	-5	-1.9	+8.4	+22.7
Mont.	337	11,847	35.15	+1.5	+1.0	-6.2	+15.9
Nebr.	435	14,084	32.38	-2	(1)	(1)	(1)
Nev.	29	1,224	(1)	(1)	(1)	(1)	(1)
N. H.	278	8,740	31.44	+1.1	+1.6	+4	+6.6
N. J.	532	18,430	34.64	+2	+2	-2.0	+7.7
N. Mex.	236	6,714	28.45	-8	-8	-8.5	-11.7
N. Y.	3,036	128,405	42.29	+1.7	+1.7	+4.8	+16.3
N. C.	2,427	48,911	20.15	+7	+3.5	+6.2	+25.3
N. Dak.	109	3,709	34.03	+1.9	+4.4	-6.8	+2.8
Ohio	3,041	84,563	27.81	+3	+6	-2.0	+2.8
Okl.	1,898	68,978	36.34	+5	+5	+2.0	+18.3
Oreg.	374	17,930	47.94	-1.1	-6	-3	+7.3
Pa.	12,985	516,316	39.76	+8	+9	+5	+53.8
R. I.	108	3,570	33.06	+9	+3.0	(1)	(1)
S. C.	969	20,136	20.78	+8	+1.5	+9.2	+15.0
S. Dak.	209	5,006	23.95	-1.9	-1.9	-9	+8.4
Tenn.	1,548	30,815	19.91	+1	+3	+4	-6
Tex.	4,542	114,239	25.15	+5.0	+7.8	-1.6	+2.1
Utah	134	5,467	40.80	+8	+2.5	+8.1	+7.5
Vt.	166	5,145	30.99	-6	-6	+8.5	+17.7
Va.	960	18,348	19.11	+5	+1.3	-1	+10.1
Wash.	596	33,915	56.90	+2.1	+5.2	-2.1	+41.7
W. Va.	812	15,650	19.27	+1.0	+1.0	-7	-14.8
Wis.	1,377	41,705	30.29	+4	+9	-6.1	-8
Wyo.	116	4,770	41.12	+9	+6.6	-1.7	+6.5

<sup>1</sup> For definitions of terms see the *Bulletin*, July 1945, pp. 27-28. Figures in italics represent programs administered without Federal participation. Data exclude program administered without Federal participation in Connecticut, which administers such program concurrently with program under the Social Security Act. Alaska does not administer aid to the blind. All data subject to revision.

<sup>2</sup> Under plans approved by Social Security Board.

<sup>3</sup> For description of concurrent program see the *Bulletin*, April 1945, p. 26.

<sup>4</sup> Not computed. Average payment not calculated on base of less than 50 recipients; percentage change, on less than 100 recipients.

<sup>5</sup> Payments under approved plan first made in November 1945.

<sup>6</sup> Represents statutory monthly pension of \$30 per recipient; excludes payments for other than a month.

equaled the sum of the applications received for aid to the blind, aid to dependent children, and general assistance. The family basis for applications for aid to dependent children, and to some extent for general assistance, means, however, that the number of individuals applying for old-age assistance is somewhat smaller

than the total number of persons represented in the applications for the other three types of assistance.

**Aid to the blind.**—The general downward trend in the number of applications received for aid to the blind continued through the first half of 1945. In each of the 6 months, fewer applications were received than

in the corresponding month of 1944. This trend, however, was reversed in July. In some States, administrative factors influenced trends in applications for aid to the blind as they did for aid to dependent children. A large number of blind persons qualify for old-age assistance. Whether they apply for one or the other type of

Table 5.—Aid to dependent children: Recipients and payments to recipients, by State, December 1945<sup>1</sup>

State	Number of recipients		Payments to recipients		Percentage change from—					
	Families	Children	Total amount	Average per family	November 1945 in—			December 1944 in—		
					Number of—		Amount	Number of—		Amount
					Families	Children		Families	Children	
Total.....	274,300	701,803	\$14,278,421	\$52.05	+2.3	+2.6	+3.7	+8.1	+9.8	+23.5
Total, 50 States <sup>2</sup> .....	274,236	701,677	14,276,416	52.06	+2.3	+2.6	+3.7	+8.1	+9.8	+23.5
Alabama.....	5,704	15,864	147,657	25.89	+2.3	+2.6	+2.7	+15.5	+16.3	+18.8
Alaska.....	47	146	2,605	66.76	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Arizona.....	1,491	4,315	59,596	39.97	+2.8	+2.6	+3.4	+6.0	+7.9	+10.6
Arkansas.....	3,975	10,541	105,629	26.57	-7	-3	-5	-16.4	-16.0	-21.8
California.....	8,762	17,031	553,412	86.28	+2.3	+2.1	+3.7	+6.5	+5.3	+16.0
Colorado.....	3,311	9,111	108,964	60.06	+3.9	+5.0	-1.1	+4.3	+6.1	+4.1
Connecticut.....	2,293	5,724	195,186	55.12	+4.1	+4.7	+6.2	+20.1	+18.0	+34.4
Delaware.....	287	828	22,959	80.00	+1.8	+2.9	+2.1	+10.8	+15.5	+31.4
District of Columbia.....	676	2,131	46,441	68.70	+6.0	+6.1	+1.0	+22.0	+20.5	+32.8
Florida.....	6,319	15,704	214,560	33.95	+1.7	+1.4	+1.6	+42.7	+45.1	+45.9
Georgia.....	3,996	10,060	101,423	25.38	+1.0	+1.1	+1.0	-6	+1.2	+2.2
Hawaii.....	536	1,639	35,784	66.76	+3.9	+4.3	+7.5	+2.5	+1.4	+19.8
Idaho.....	1,228	3,346	69,999	57.00	+2.8	+3.7	+4.4	-2.9	-4.7	+7.7
Illinois.....	20,120	48,633	1,275,901	63.41	+1.4	+1.6	+5.8	+3.1	+4.2	+34.0
Indiana.....	6,026	14,183	223,086	37.02	+1.5	+1.8	+1.9	-9.5	-6.7	-5.5
Iowa.....	3,182	8,081	104,802	32.94	+1.7	+2.4	+2.7	+3.6	+6.2	+25.7
Kansas.....	3,027	7,727	160,907	53.16	+3.3	+3.5	+4.8	-3	+8	+10.3
Kentucky.....	5,223	14,081	112,310	21.50	+2.9	+3.9	+2.5	+10.4	+11.8	+8.2
Louisiana.....	9,079	23,458	355,743	39.18	+5.2	+4.8	+3.9	-1.6	-9	+4.3
Maine.....	1,410	3,976	97,812	69.37	+2.0	+1.4	+3.4	+8.7	+8.4	+26.1
Maryland.....	3,272	9,440	125,180	38.26	+3.4	+3.9	+4.1	+18.6	+20.2	+20.6
Massachusetts.....	7,488	18,634	637,058	85.08	+1.8	+2.1	+3.1	+6.2	+7.2	+15.0
Michigan.....	13,966	33,599	951,716	68.15	+3.5	+3.2	+4.1	+11.7	+11.6	+26.7
Minnesota.....	4,665	11,800	242,946	52.08	+1.5	+1.1	+2.6	-6.7	-5.3	+18.1
Mississippi.....	3,063	7,997	80,061	26.14	+2.6	+2.9	+2.8	+5.9	+8.3	+7.2
Missouri.....	12,205	32,106	435,225	35.66	+3.4	+3.6	+4.0	+13.2	+17.8	+21.5
Montana.....	1,283	3,307	64,850	50.55	+1.4	+2.8	+3.8	-1.1	-1	+43.7
Nebraska.....	2,213	5,251	136,098	61.50	+3.4	+3.5	+5.4	-8.6	-6.8	+71.3
Nevada.....	64	186	2,005	31.33	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
New Hampshire.....	837	2,143	59,198	70.73	+2.6	+3.3	+4.2	+19.1	+23.8	+48.7
New Jersey.....	3,327	8,460	267,856	62.48	+2.4	+2.7	+2.5	-5.5	-2.2	+8.9
New Mexico.....	2,610	6,883	96,598	37.01	+6	+7	-5	+18.6	+10.0	+8.2
New York.....	24,592	59,981	2,007,260	81.62	+4.4	+5.2	+4.9	+32.1	+38.7	+45.7
North Carolina.....	6,104	16,446	155,455	26.84	+1.8	+1.8	+3.9	-3	+7.2	+17.0
North Dakota.....	1,374	3,816	77,080	56.08	+9	+1.2	+8	-0.1	-7.7	( <sup>3</sup> )
Ohio.....	7,638	20,867	435,941	57.47	+2.0	+2.0	+1.8	( <sup>3</sup> )	+1.6	+6.9
Oklahoma.....	16,306	39,668	569,828	34.95	+2.0	+2.2	+2.1	+13.9	+16.4	+19.0
Oregon.....	1,234	3,018	101,349	82.13	+1.4	+1.5	+2.3	+2.5	+3.4	+8.9
Pennsylvania.....	25,796	68,411	1,698,202	65.83	+5.0	+5.2	+5.3	+19.4	+19.4	+38.8
Rhode Island.....	1,510	3,870	102,609	67.95	+4.1	+4.3	+4.9	+32.0	+29.8	+32.2
South Carolina.....	3,875	11,347	89,281	23.04	+1.3	+1.5	+1.8	+11.6	+9.4	+7.8
South Dakota.....	1,487	3,646	57,144	38.43	+7	+1.1	+1.9	+1.6	+6.3	+18.5
Tennessee.....	11,208	29,551	342,491	30.56	-7	-8	+9	+2.2	+3.3	+7
Texas.....	9,969	22,296	213,228	21.39	-8.3	-7.0	-5.8	-7.3	-4.8	-4.8
Utah.....	1,884	5,068	139,267	73.92	+2.5	+1.9	+1.9	+2.1	+3.2	+3.8
Vermont.....	577	1,507	20,331	35.24	+1.9	+3.4	+4.0	+5.5	+7.4	+8.8
Virginia.....	3,610	10,798	120,125	33.28	+2.3	+8.3	+3.3	+2.7	+8.2	+22.5
Washington.....	4,068	10,048	386,281	94.96	+2.9	+2.6	+1.6	+23.8	+23.9	+37.7
West Virginia.....	7,205	20,147	222,361	30.86	+1.5	+1.4	+1.8	+5.5	+6.0	+1.5
Wisconsin.....	5,826	14,136	356,181	61.14	+3.0	+3.0	+4.3	-2.8	-1.6	+10.4
Wyoming.....	292	827	17,455	59.78	+4.3	+6.2	+5.9	-4.3	+1.0	+21.2

<sup>1</sup> For definitions of terms see the *Bulletin*, July 1945, pp. 27-28. Figures in italics represent program administered without Federal participation. Data exclude programs administered without Federal participation in Florida, Kentucky, and Nebraska, which administer such programs concurrently with programs under the Social Security Act. All data subject to revision.

<sup>2</sup> Under plans approved by Social Security Board.

<sup>3</sup> Not computed. A average payment not calculated on base of less than 50 families; percentage change, on less than 100 families.

<sup>4</sup> For description of concurrent program see the *Bulletin*, April 1945, p. 26.

<sup>5</sup> Increase of less than 0.05 percent.

Table 6.—Recipient rates for special types of public assistance in the continental United States, by State, December 1945

State	Recipients of old-age assistance per 1,000 population aged 65 and over <sup>1</sup>	Children receiving aid to dependent children per 1,000 population under 18 years <sup>2</sup>	Recipients of aid to the blind per 100 estimated blind population <sup>3</sup>
Total.....	204	17	31
Ala.....	4 223	14	11
Ariz.....	352	19	47
Ark.....	4 215	15	27
Calif.....	245	8	51
Colo.....	405	26	25
Conn.....	96	12	5
Del.....	53	10	2
D. C.....	48	11	12
Fla.....	4 292	24	47
Ga.....	381	9	25
Idaho.....	260	19	33
Ill.....	191	23	42
Ind.....	178	13	33
Iowa.....	203	11	30
Kans.....	4 171	14	34
Ky.....	227	14	34
La.....	4 280	26	21
Maine.....	182	15	54
Md.....	84	15	12
Mass.....	189	16	15
Mich.....	234	13	18
Minn.....	231	15	24
Miss.....	4 214	10	20
Mo.....	4 290	30	40
Mont.....	261	21	42
Nebr.....	208	14	22
Nev.....	228	3	17
N. H.....	4 132	15	32
N. J.....	70	7	9
N. Mex.....	4 237	32	27
N. Y.....	98	18	16
N. C.....	4 187	12	30
N. Dak.....	201	17	13
Ohio.....	197	10	27
Okl.....	519	53	48
Oreg.....	4 192	9	22
Pa.....	110	23	87
R. I.....	120	19	11
S. C.....	4 239	15	18
S. Dak.....	270	19	22
Tenn.....	4 202	28	27
Tex.....	450	10	39
Utah.....	376	21	27
Va.....	4 143	14	22
Vt.....	4 37	10	16
Wash.....	4 364	19	31
W. Va.....	4 164	29	22
Wis.....	174	15	30
Wyo.....	232	10	43

<sup>1</sup> Population aged 65 and over as of April 1945 estimated by Social Security Board.

<sup>2</sup> Population under 18 as of July 1944 estimated by Bureau of the Census.

<sup>3</sup> Blind population estimated for 1940; see the *Bulletin*, March 1945, p. 18.

<sup>4</sup> Rate is understatement because only 1 recipient is reported when a single payment is made to husband and wife, both 65 or over; extent of understatement differs among States; see the *Bulletin*, September 1945, p. 21.

assistance may depend on the relative liberality of eligibility conditions and payments and sometimes on the relative adequacy of funds for the two programs. Changes in policies or in the availability of funds sometimes result in transfers from one program to the other, with consequent increase in applications but no change in the volume of need.

### Marked Increase in Applications Since August

Although the number of applications for each of the four types of assistance increased before VJ-day, the changes since August have been much more pronounced. The number of persons applying each month has been considerably larger than in the corresponding month of 1944 (table 7). In aid to dependent children, nearly 60 percent more applications were received in the last 4 months of 1945 than in the same months a year earlier. In each of the other programs the increase was about 40 percent.

It is probable that a substantial number of the persons now applying for assistance are persons who left the rolls during the war to take employment or to share in increased earnings of family members. Others left the rolls because allowances in behalf of family members in the armed forces provided higher income than their former assistance payments. As other income disappeared, such individuals have reapplied for assistance.

Not all persons who have requested the resumption of assistance appear in the count of applications received. Many States initiated systems of suspension of assistance for persons who had temporary income sufficient for their support. Under this procedure, assistance can be resumed without reapplication when income stops.

### Most States Able To Assist Additional Cases

The increase in numbers of applications received has naturally in-

Table 7.—Applications received for public assistance, by program and month, July–December 1945

Month	Old-age assistance		Aid to the blind		Aid to dependent children		General assistance <sup>1</sup>	
	Number received	Percentage change from corresponding month in 1944	Number received	Percentage change from corresponding month in 1944	Number received	Percentage change from corresponding month in 1944	Number received	Percentage change from corresponding month in 1944
1945								
July	29,589	+10.2	991	+3.4	10,937	+30.4	17,139	–1.4
August	31,584	+9.1	1,011	+1.1	13,021	+40.7	17,352	–8.5
September	34,160	+21.3	1,097	+23.4	15,043	+44.3	19,304	+9.8
October	43,002	+49.4	1,382	+31.0	17,476	+62.9	23,407	+34.7
November	39,488	+49.9	1,422	+64.4	16,200	+59.8	23,726	+37.8
December	32,337	+48.2	1,069	+52.9	14,459	+69.6	30,159	+76.1

<sup>1</sup> Data for 27 States reporting for both periods.

creased the number on which action is pending. In most States the increase in pending applications does not cause serious delay in the receipt of assistance by the applicants. In all States administering the special types of assistance under State-Federal plans and in 27 States reporting data on applications for general assistance, about 3 applications were pending at the end of November 1945 for each 100 cases receiving old-age assistance; about 5 for each 100 cases receiving aid to the blind; about 6 for each 100 cases of general assistance, and nearly 8 for each 100 families receiving aid to dependent children. If approximately the same proportion of applications disposed of continues to be approved as in the first half of 1945, roughly three-fourths of the total number of applications pending will be approved for assistance.

In a few States, shortage of funds has made it impossible for agencies to meet need resulting from changed economic conditions. In Alabama, even though funds are insufficient to make payments to all eligible applicants, assistance agencies investigate applications and establish eligibility. The number of applicants in all categories who were approved for, but awaiting, assistance was 2,478 in November 1945, three and one-half times the number in July 1944. Arkansas for a number of months has found it necessary to

limit, through a system of county quotas, the number of recipients added to the rolls. Even though publicity about the shortage of funds has discouraged applications, the number pending in the State has increased; by the end of November, 12 applications for old-age assistance were pending for each 100 recipients and 17 applications for aid to dependent children were pending for each 100 families aided. In Mississippi a number of counties have raised payments of old-age assistance since July 1944 by meeting a higher fraction of the need of recipients. By May 1945, however, the status of agency funds made it impossible to maintain these payments and to increase the case load. Applications in this State have been approved, therefore, only when cases were closed. Louisiana, by initiating cuts in payments in November, temporarily reduced the total number of applications held pending because of the inadequacy of funds for assistance. Despite the cut in payments, 31 applications for general assistance were pending at the end of November for every 100 cases on the rolls. Two weeks later local staffs were told not to approve until further notice additional cases for the special types of assistance. If further large increases in applications occur, other States may be obliged to adjust payments downward or to delay the approval of applications.

## Social and Economic Data

### Social Security and Other Income Payments

#### Income Payments to Individuals

Income payments to individuals in December—\$13.1 billion—were 0.8 percent below the amount in November and 2.2 percent less than in December 1944 (table 1). The sharpest relative decline occurred in military allowances, which fell 18 percent below the November total and 22 percent under the amount in December 1944.

For the year 1945, compensation of employees was the only segment of the income payments series to fall below the 1944 level, declining 0.6 percent. Wages and salaries in the covered industries first fell in May and declined each month thereafter; as a result, covered pay rolls for the year were 5 percent below those in 1944. Pay rolls in the noncovered industries, on the other hand, rose 5 percent for the year as a whole, though in the last 3 months of 1945 they were 7 percent less than in the fourth quarter of 1944, largely as a result of declining government pay rolls.

The largest relative gain for the year—50 percent—occurred in social insurance and related payments. Military allowances were second with a 15-percent increase; in September, however, these payments started to decline. Dividends and interest were up 10 percent, and entrepreneurial income, net rents, and royalties increased 7 percent. Public aid payments, which are on the upturn, were 5 percent above the 1944 level; these payments are a relatively small part of all income payments, however. The combined increases more than offset the decline in compensation of employees, and total income payments in 1945 were 2.5 percent above the amount in 1944.

#### Estimated Pay Rolls in Covered Employment, Third Quarter, 1945

Total wages and salaries in the third quarter—\$26.7 billion—were 8 percent below the second quarter level and 6 percent under the amount a year earlier (table 2). The drop in the third quarter of this year marks

the first time in 5 years that total wages and salaries have been below the amount in the corresponding quarter of the preceding year. The continued decline in covered pay rolls is largely responsible for the downward trend in the total. Covered pay rolls for the third quarter were 12 percent below the amount in the same quarter of 1944. Noncovered pay rolls remained fairly stable throughout the first 3 quarters of 1945 and in the third quarter were 6 percent above the level a year earlier. The 2-percent decline from the second quarter within the noncovered group resulted from a 5-percent decrease in government pay rolls, which more than offset increases in domestic service and agriculture.

Wages and salaries covered by old-age and survivors insurance declined during the first 3 quarters of 1945, with

a very substantial drop during July-September, attributable in part to the lay-offs which immediately followed the Japanese surrender and in part to the substantial reduction in overtime earnings during the third quarter. These pay rolls represented nearly 61 percent of all wages and salaries in the third quarter; a year earlier they were more than 65 percent of the total.

Pay rolls covered by State unemployment compensation laws declined even more rapidly, both relatively and in absolute amounts, than did those covered by old-age and survivors insurance. Since pay rolls covered by the latter program include those covered under the former, plus pay rolls of small firms excluded from unemployment compensation coverage in some States, it seems reasonable to assume that wages and salaries in these small firms increased during the third quarter while larger industrial establishments were experiencing sub-

Table 1.—Income payments to individuals, by specified period, 1936-45<sup>1</sup>

[In millions; data corrected to Feb. 4, 1946]

Calendar year and month	Total <sup>2</sup>	Compensation of employees <sup>3</sup>	Entrepreneurial income, net rents, and royalties	Dividends and interest	Public aid		Social insurance and related payments <sup>6</sup>	Military allowances <sup>7</sup>
					Work relief <sup>4</sup>	Direct relief <sup>5</sup>		
1936	\$68,024	\$40,027	\$13,003	\$9,785	\$2,155	\$672	\$955	-----
1937	72,365	44,689	14,162	9,891	1,639	836	1,020	-----
1938	66,135	40,845	12,569	8,233	2,094	1,008	1,529	-----
1939	70,793	43,870	13,441	8,891	1,870	1,071	1,616	-----
1940	76,210	48,218	14,313	9,175	1,578	1,067	1,801	-----
1941	92,710	60,262	18,599	9,761	1,213	1,112	1,744	-----
1942	117,311	79,970	23,933	9,771	586	1,061	1,844	\$136
1943	143,089	101,813	27,161	10,389	57	940	1,703	1,020
1944	156,723	112,043	28,017	11,195	-----	944	1,970	2,548
1945	160,585	111,334	29,891	12,307	-----	988	2,951	2,929
1944								
December	13,376	9,530	2,384	964	-----	80	177	240
1945								
January	13,538	9,589	2,472	970	-----	80	185	241
February	13,723	9,625	2,608	980	-----	80	187	243
March	13,660	9,621	2,531	990	-----	80	194	244
April	13,562	9,545	2,491	1,002	-----	80	195	249
May	13,538	9,486	2,504	1,012	-----	81	202	253
June	13,692	9,530	2,493	1,024	-----	81	209	257
July	13,622	9,509	2,479	1,032	-----	81	219	259
August	13,207	9,143	2,441	1,042	-----	82	226	259
September	12,817	8,797	2,359	1,051	-----	83	262	258
October	12,952	8,792	2,428	1,060	-----	85	330	252
November	13,192	8,805	2,551	1,068	-----	87	350	228
December	13,082	8,812	2,534	1,076	-----	88	383	186

<sup>1</sup> Compensation of employees; entrepreneurial income, net rents, and royalties; and dividends and interest adjusted for seasonal variation.

<sup>2</sup> Includes veterans' bonus; payments during 1945 were \$185 million.

<sup>3</sup> Wage and salary payments minus deductions for employee contributions to social insurance and related programs. Includes industrial pensions, payments to the armed forces, and, beginning with February 1944, mustering-out pay.

<sup>4</sup> Earnings of persons employed by NYA, WPA, and CCC.

<sup>5</sup> Payments to recipients under 3 special public assistance programs and general assistance, value of food stamps under food stamp plan, and farm subsistence payments.

<sup>6</sup> Payments of old-age and survivors insurance, railroad retirement, Federal, State, and local retirement, workmen's compensation, State unemployment compensation, railroad unemployment insurance, veterans' pensions and compensation, and readjustment allowances to unemployed veterans.

<sup>7</sup> Government portion of payments to dependents of members of the armed forces; portion deducted from military pay included under compensation of employees as part of military pay rolls.

Source: U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce.



stantial lay-offs and sharp reductions in working hours. Pay rolls covered by State unemployment compensation laws represented 56.5 percent of all wages and salaries as compared with 61.0 percent a year earlier.

Preliminary data for the third quarter indicate that, though railroad pay rolls declined slightly below the amount in the preceding quarter, the drop was not as severe as in other industries. As a result, pay rolls covered by the Railroad Retirement and Railroad Unemployment Insurance Acts represented 4.3 percent of all wages and salaries in the third quarter and 3.9 percent during April-June.

### Social Insurance and Related Payments

Payments under the selected programs shown in table 3 amounted to \$301.4 million in December and totaled \$2.1 billion for the year. This total was 84 percent more than in 1944 and represented 70 percent of all social insurance and related payments as estimated by the Department of Commerce.

Retirement, disability, and survivor payments increased in amount throughout 1945 but declined from 93 percent of all payments in April to 50 percent in December.

Unemployment insurance payments—\$149.3 million in December—were 11 percent above the November amount and more than 20 times the amount a year earlier. For the first time since April, State unemployment benefits declined from the level of the preceding month; the 1.8-percent drop in December may be attributed partly to the holidays, however. Some 1.3 million beneficiaries received unemployment compensation payments during an average week in December, slightly fewer than in November. April marked the low point in 1945, when about 87,200 beneficiaries received payments in an average week, while December was the third month in which beneficiaries numbered more than 1 million a week and in which payments exceeded \$100 million a month. More than 80 percent of the 1945 State unemployment compensation payments were made in September-December; total payments for the year were higher than in any previous year except 1940.

Unemployed veterans in 1945 re-

ceived nearly \$115 million in readjustment allowances under title V of the Servicemen's Readjustment Act of 1944. The number of veterans receiving these allowances increased almost every month during the year and reached a peak during the week ended December 22, when some 482,000 veterans received payments. The number during an average week in December was 86 percent more than in November, while the amount paid represented a 63-percent gain.

The number of self-employed vet-

erans receiving benefits also increased throughout the year. These payments, which are not included in table 3, were made to 21,000 veterans in December and amounted to \$2.1 million. In contrast, fewer than 1,300 veterans received self-employment allowances in January 1945. Payments during 1945 totaled \$11.7 million.

Payments to unemployed and self-employed veterans in 1945 are not comparable with 1944 data because the program did not begin until September 1944; the first unemployment

Table 2.—Estimated pay rolls in employment covered by selected programs<sup>1</sup> in relation to all wages and salaries, by specified period, 1937-45

[Data corrected to Jan. 25, 1946]

Period	All wages and salaries <sup>2</sup>	Old-age and survivors insurance <sup>3</sup>	Railroad retirement <sup>4</sup>	State unemployment compensation <sup>5</sup>	Railroad unemployment insurance <sup>6</sup>
Amount (in millions)					
Calendar year:					
1937.....	\$45,053	\$32,770	\$2,265	(7)	\$2,265
1938.....	41,247	29,026	2,010	26,200	2,010
1939.....	44,313	32,222	2,149	29,069	2,149
1940.....	48,771	35,668	2,272	32,450	2,272
1941.....	60,885	45,417	2,685	42,146	2,685
1942.....	80,793	58,147	3,337	54,796	3,337
1943.....	102,932	70,152	4,058	66,126	4,058
1944.....	113,031	73,914	4,466	69,463	4,466
1944					
Jan.-Mar.....	27,146	17,915	1,088	16,884	1,088
Apr.-June.....	27,900	18,289	1,108	17,244	1,108
July-Sept.....	28,402	18,533	1,137	17,330	1,137
Oct.-Dec.....	29,493	19,177	1,133	18,005	1,133
1945					
Jan.-Mar.....	28,727	18,434	1,130	17,389	1,130
Apr.-June.....	29,063	18,429	1,141	17,379	1,141
July-Sept.....	26,719	16,276	1,139	15,091	1,139
Percent of all wages and salaries					
Calendar year:					
1937.....	100.0	72.7	5.0	(7)	5.0
1938.....	100.0	70.4	4.9	63.5	4.9
1939.....	100.0	72.7	4.8	65.6	4.8
1940.....	100.0	73.1	4.7	66.5	4.7
1941.....	100.0	74.6	4.4	69.2	4.4
1942.....	100.0	72.0	4.1	67.8	4.1
1943.....	100.0	68.2	3.9	64.2	3.9
1944.....	100.0	65.4	4.0	61.5	4.0
1944					
Jan.-Mar.....	100.0	66.0	4.0	62.2	4.0
Apr.-June.....	100.0	65.3	4.0	61.6	4.0
July-Sept.....	100.0	65.3	4.0	61.0	4.0
Oct.-Dec.....	100.0	65.0	3.8	61.0	3.8
1945					
Jan.-Mar.....	100.0	64.2	3.9	60.5	3.9
Apr.-June.....	100.0	63.4	3.9	59.8	3.9
July-Sept.....	100.0	60.9	4.3	56.5	4.3

<sup>1</sup> Includes data for Alaska and Hawaii. Pay roll in these 2 Territories covered by State unemployment compensation programs has ranged from \$18 million to \$78 million per quarter.

<sup>2</sup> Data from Bureau of Foreign and Domestic Commerce. Quarterly data have been adjusted to correct for distribution of bonus payments. Represents estimated wages and salaries paid in cash and in kind in continental United States and, in addition, Army and Navy pay rolls in all other areas. Includes employee contributions to social insurance and retirement programs. Because estimates of all wages and salaries are built up by industry groups, amount in covered and noncovered employment cannot be determined precisely. While the estimated amount in covered employment included within this total differs from pay rolls in covered employment as given in this table, the difference is so small that it does not invalidate relationship of

covered pay rolls to total. Commerce estimates relate to calendar quarters; estimates for pay rolls covered by old-age and survivors insurance, railroad retirement, and unemployment compensation relate to pay periods ended in calendar quarters.

<sup>3</sup> Taxable wages plus estimated nontaxable wages in excess of \$3,000 earned in employment covered by program.

<sup>4</sup> Taxable wages plus nontaxable wages in excess of \$300 per month.

<sup>5</sup> Taxable wages plus nontaxable wages earned in employment covered by program; excludes earnings of railroad workers covered by State laws through June 1939. Data for 1944 and 1945 estimated.

<sup>6</sup> Estimated for 1937-June 1939 when railroad workers were covered by State unemployment compensation laws.

<sup>7</sup> Not available.

<sup>8</sup> Preliminary.

Table 3.—Selected social insurance and related programs, by specified period, 1936–45  
[In thousands; data corrected to Feb. 1, 1946]

Calendar year and month	Total	Retirement, disability, and survivor programs												Unemployment insurance programs			
		Monthly retirement and disability benefits <sup>1</sup>				Survivor benefits								Rhode Island sickness compensation <sup>11</sup>	State unemployment compensation laws <sup>11</sup>	Service men's Readjustment Act <sup>12</sup>	Railroad Unemployment Insurance Act <sup>13</sup>
						Monthly				Lump-sum <sup>9</sup>							
		Social Security Act <sup>1</sup>	Railroad Retirement Act <sup>2</sup>	Civil Service Commission <sup>4</sup>	Veterans Administration <sup>5</sup>	Social Security Act <sup>6</sup>	Railroad Retirement Act <sup>2</sup>	Veterans Administration <sup>5</sup>	Social Security Act <sup>6</sup>	Railroad Retirement Act <sup>2</sup>	Civil Service Commission <sup>4</sup>	Veterans Administration <sup>5</sup>					
Number of beneficiaries																	
1944																	
December		508.7	163.5	83.9	955.7	454.3	4.3	372.7	13.0	1.4	1.4	3.6	4.5	74.9	16.8		1.2
1945																	
January		522.6	163.9	84.8	982.3	467.0	4.3	380.9	15.4	1.5	1.5	3.7	4.4	104.8	23.7		1.9
February		533.9	164.9	85.4	1,008.1	479.4	4.2	386.3	15.4	1.4	1.5	3.4	4.3	100.1	26.1		1.8
March		547.1	165.5	86.0	1,037.8	494.7	4.3	405.7	18.7	2.0	2.8	3.8	5.0	103.2	27.8		1.6
April		558.4	166.0	86.6	1,070.3	510.0	4.3	459.5	17.0	1.9	2.0	3.7	5.3	87.2	28.3		1.2
May		570.6	166.4	87.3	1,105.6	523.7	4.3	500.9	18.5	2.2	2.3	4.4	7.2	98.0	28.1		.8
June		582.0	167.1	88.0	1,144.2	537.0	4.4	537.3	17.0	1.9	2.0	4.6	7.1	129.4	31.8		.8
July		595.3	167.8	88.8	1,194.3	546.8	4.4	570.7	14.7	1.7	2.0	4.7	6.4	185.5	38.5		.6
August		609.4	168.5	89.4	1,245.8	554.2	4.4	600.8	14.7	1.7	1.8	4.7	5.8	230.5	44.1		1.2
September		624.4	169.5	89.9	1,309.3	564.1	4.4	628.8	12.1	1.8	1.4	4.7	5.0	640.0	73.2		2.1
October		652.6	170.5	90.9	1,389.8	579.8	4.4	656.1	16.6	1.5	1.7	5.0	4.9	1,181.5	122.9		5.8
November		677.7	171.8	91.7	1,464.8	592.0	4.4	680.2	12.9	1.4	1.3	4.1	4.5	1,318.4	217.7		9.3
December		695.9	172.9	92.5	1,533.6	601.2	4.4	697.5	13.2	1.3	.7	3.8	4.4	1,300.0	405.0		12.7
Amount of benefits <sup>14</sup>																	
1936	\$458,896	\$683	\$51,630	\$299,001		\$2	\$99,992			\$4,062	\$3,395		\$131				
1937	501,664	40,001	53,694	299,660		444	96,370	\$1,278		4,401	3,684		2,132				
1938	969,600	96,766	56,118	301,277		1,383	101,492	10,478		\$291	4,604	3,405		393,786			
1939	1,043,089	107,282	58,331	307,512		1,451	109,192	13,896		1,926	4,952	3,553		429,298			\$5,696
1940	1,188,702	\$21,074	114,166	62,019	317,851	\$7,764	1,448	105,696	11,736	2,497	5,810	3,960		518,700		15,961	
1941	1,085,488	55,141	119,912	64,933	320,561	25,454	1,559	111,799	13,328	3,421	6,170	4,352		344,321		14,537	
1942	1,130,721	80,305	122,806	68,115	325,265	41,702	1,603	111,193	15,038	4,114	6,108	4,120		344,084		6,288	
1943	921,463	97,257	125,795	72,961	331,350	57,763	1,704	116,133	17,830	5,560	7,344	4,350	\$2,857	79,643		917	
1944	1,119,582	119,009	129,707	78,081	456,279	76,942	1,765	144,302	22,146	6,591	7,863	4,784	5,035	62,385	\$4,113	582	
1945	2,062,338	157,392	137,140	85,742	699,854	104,232	1,772	256,531	26,136	8,138	10,244	5,025	4,631	445,866	114,612	2,352	
1944																	
December		105,566	10,903	11,064	6,788	44,485	7,237	147	13,813	1,836	598	693	391	330	5,192	2,018	70
1945																	
January		111,871	11,257	11,065	6,856	46,993	7,507	143	13,891	2,189	599	830	371	318	7,299	2,442	111
February		111,874	11,548	11,184	6,810	46,971	7,755	143	14,404	2,181	534	788	319	290	6,435	2,413	99
March		119,348	11,925	11,253	6,962	49,039	8,094	146	16,042	2,634	764	1,257	388	362	7,242	3,139	100
April		121,222	12,155	11,270	6,974	50,306	8,297	151	18,450	2,370	748	968	363	387	6,179	2,540	63
May		128,566	12,450	11,247	7,119	51,950	8,478	147	22,085	2,563	874	1,102	438	524	7,044	2,501	45
June		135,788	12,701	11,379	7,137	54,804	8,707	152	22,613	2,346	716	956	462	517	9,686	3,572	42
July		143,997	12,974	11,448	7,220	57,228	8,773	148	23,492	2,033	649	928	469	469	14,352	3,778	35
August		151,542	13,348	11,484	7,263	59,483	8,889	149	23,450	2,021	693	842	461	425	17,948	5,013	72
September		190,305	13,666	11,559	7,246	63,558	9,005	150	23,164	1,697	736	672	470	367	50,440	7,457	111
October		263,892	14,599	11,630	7,337	69,602	9,415	148	25,511	2,432	658	835	500	355	106,445	14,088	333
November		282,601	15,221	11,757	7,377	73,240	9,621	147	26,530	1,811	588	700	406	329	108,550	25,770	555
December		301,360	15,548	11,864	7,440	76,680	9,690	149	27,200	1,857	578	366	377	317	106,617	41,900	777

<sup>1</sup> Old-age retirement benefits under all acts, disability retirement benefits under the Railroad Retirement and Civil Service Retirement Acts, and disability payments to veterans.

<sup>2</sup> Primary and wife's benefits and benefits to children of primary beneficiaries. Partly estimated.

<sup>3</sup> Age and disability annuitants and pensioners as of 20th of month. Payments represent amounts certified, minus cancellations. Widows receiving both survivor and death-benefit annuities are counted twice, but 2 or more individuals sharing 1 death-benefit annuity are counted as 1. Monthly payments to survivors include annuities to widows under joint and survivor elections and 12-month death-benefit annuities to widows and next of kin.

<sup>4</sup> Retirement and disability benefits include survivor benefits under joint and survivor elections; not adjusted for suspension of annuities of persons reemployed under the National Defense Acts of June 28, 1940, and Jan. 24, 1942. Payments principally from civil-service retirement and disability fund but also include payments from Canal Zone and Alaska Railroad retirement and disability funds administered by Civil Service Commission. Monthly retirement payments include accrued annuities to date of death paid to survivors. Refunds to employees leaving the service are not included but will be summarized twice a year in the *Bulletin*.

<sup>5</sup> Veterans' pensions and compensation.

<sup>6</sup> Widow's, widow's current, parent's, and child's benefits. Partly estimated.

<sup>7</sup> Payments to widows, parents, and children of deceased veterans.

<sup>8</sup> Number of decedents on whose account lump-sum payments were made, and amount of such payments.

<sup>9</sup> For the period January 1937–August 1939, includes payments to covered workers at age 65 totaling \$9.9 million, which are not survivor payments.

<sup>10</sup> Payments for burial of deceased veterans.

<sup>11</sup> Number represents average weekly number of beneficiaries. Annual amounts adjusted for voided benefit checks; monthly amounts not adjusted.

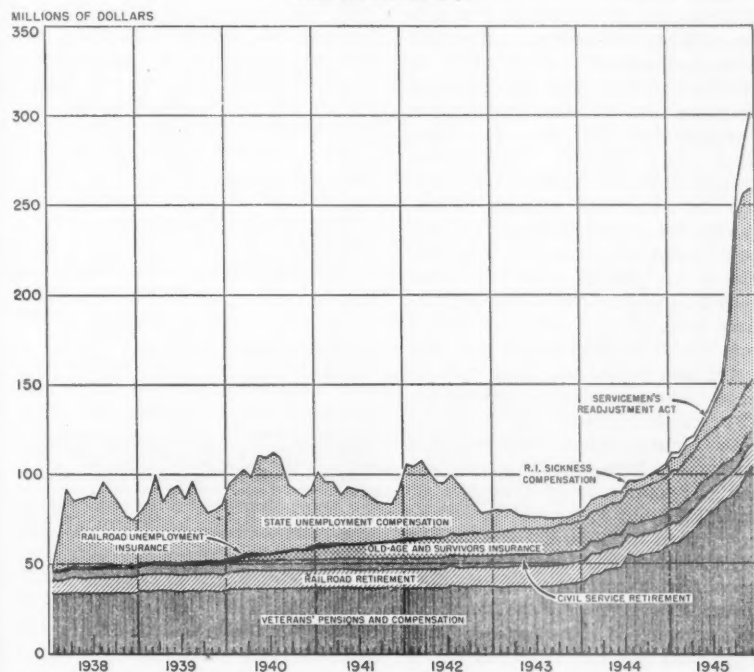
<sup>12</sup> Readjustment allowances to unemployed veterans only; excludes payments to self-employed veterans. Number represents average weekly number of veterans paid readjustment allowances during weeks ended in the month. Amounts before July 1945 represent payments during weeks ended in the month; for July and subsequent months, payments are on calendar-month basis. Payments for November and December partly estimated.

<sup>13</sup> Number represents average number of persons receiving benefits for unemployment in a 14-day registration period. Annual amounts adjusted for underpayments and recoveries of overpayments; monthly figures not adjusted.

<sup>14</sup> Payments to individuals: amounts certified, under the Social Security and Railroad Retirement Acts (including retroactive payments) and the Railroad Unemployment Insurance Act; disbursements minus cancellations, under Civil Service Commission and Veterans Administration programs; checks issued by State agencies, under State unemployment insurance and Rhode Island sickness compensation programs and under the Servicemen's Readjustment Act.

<sup>15</sup> Preliminary estimate.

Chart 1.—Payments under selected social insurance and related programs, January 1938–December 1945



allowances were paid for the week ended September 16, 1944, while first payments to the self-employed were made in November 1944 with respect to self-employment in October.

Monthly retirement and disability benefits under the four programs amounted to \$111.5 million, 52 percent more than the amount in December 1944. Disability payments to veterans increased 72 percent, retirement benefits under the Social Security Act rose 43 percent, and civil-service and railroad retirement payments increased 9.6 and 7.2 percent, respectively.

The 1.5 million veterans receiving disability payments included some 15,600 retired reserve officers of World War II—five times the number in December 1944—and about 2,500 emergency officers of World War I. In the fiscal year ended June 30, 1945, average benefits for these two groups—\$94 for reserve officers of World War II and \$137 for emergency officers of World War I—were higher than averages payable to other disabled veterans. Also included in the 1.5 million veterans are disabled veterans who

receive increased payments while taking vocational training. On June 30, 1945, some 15,000 veterans were receiving such training, and the increased payments amounted to slightly more than \$7 million during the fiscal year 1944–45.

Monthly survivor benefits in December ranged about 75 percent above the amount a year earlier. Payments to survivors of deceased veterans numbered 697,500 and amounted to an estimated \$27.2 million, nearly double the amount in December 1944. Monthly payments under the Social Security and Railroad Retirement Acts also increased during the 12-month period, but the increases were relatively small. Lump-sum death payments totaled \$3.2 million for the four programs, 9.7 percent less than the amount a year earlier.

Rhode Island sickness benefits continued downward in December. The 1945 peak for these payments was reached in May, after the beginning of a new benefit year in April, and payments declined throughout the rest of the year. In December, \$317,-

000 was expended, and a weekly average of about 4,400 beneficiaries received payments.

### Civil-Service Refunds

Refunds amounting to nearly \$81 million were paid to 858,100 former Federal employees in 1945 (table 4). The number of refunds increased 22 percent above the 1944 level, while the amount rose 92 percent. Consequently, the average refund in 1945 was \$94 as compared with an average of \$60 in the preceding year; the average refund in the second half of 1945 was \$113 as against \$78 in the first 6-month period.

The increase in the average refund reflects to a large extent an increase in average length of service and a higher wage level. Recently laid-off "war-service" and other appointees, many of whom had several years' service, but less than 5 years, to their credit, were entitled to substantial amounts upon termination of their employment. Civil-service employees who have at least 5 years' Federal service cannot withdraw contributions deposited after January 1942—instead, such contributions are held in the retirement fund until they attain age 62 when they receive a monthly payment, or until they die when their beneficiaries receive a lump-sum payment with accrued interest.

Table 4.—Number and amount of civil-service refunds, by specified period, 1943–45<sup>1</sup>

Period	Refunds	
	Number	Amount
Calendar year 1943.....	204.3	\$10,809
January-June.....	72.4	4,238
July-December.....	131.9	6,571
Calendar year 1944.....	704.2	42,156
January-June.....	260.3	15,355
July-December.....	443.8	26,801
Calendar year 1945.....	858.1	80,992
January-June.....	458.3	35,882
July-December.....	399.8	45,110
July.....	58.6	5,164
August.....	63.1	5,617
September.....	62.7	6,087
October.....	60.3	6,806
November.....	79.1	10,675
December.....	76.0	10,862

<sup>1</sup> Refunds principally from civil-service retirement and disability fund but include also payments from Canal Zone and Alaska Railroad retirement and disability funds administered by Civil Service Commission.

## Financial and Economic Data

### The Budget for 1946-47

The budget for the fiscal year 1946-47, submitted by the President to Congress on January 21, recommends total appropriations of \$562 million to the Social Security Board, a 10-percent increase over actual appropriations for 1945-46 (table 5). This sum includes \$532 million for grants to States and \$30 million for expenses of the Board in administering its several programs.

The number of recipients of public assistance began going up several months ago, and is expected to increase still further in the fiscal year 1946-47. Grants to States for old-age assistance are estimated at \$399 million in the budget, 10 percent above

Table 5.—Appropriations under the Social Security Act, fiscal years 1945-46 and 1946-47<sup>1</sup>

Item	Appropriations	
	Recommended 1946-47	Actual 1945-46
Total, Social Security Act.....	\$573, 604	\$524, 586
Social Security Board, total.....	561, 732	512, 862
Salaries and expenses.....	29, 687	24, 820
Grants to States, total.....	532, 045	488, 042
Old-age assistance.....	398, 700	363, 000
Aid to dependent children.....	73, 950	57, 000
Aid to the blind.....	11, 350	11, 000
Unemployment compensation administration <sup>2</sup> .....	48, 045	57, 042
Department of Labor, Children's Bureau, total.....	11, 717	11, 579
Administrative expenses, maternal and child welfare services.....	517	379
Grants to States, total.....	11, 200	11, 200
Maternal and child health services.....	5, 820	5, 820
Services for crippled children.....	3, 870	3, 870
Child welfare services.....	1, 510	1, 510
Department of Commerce, Bureau of the Census, total.....	155	145

<sup>1</sup> Excludes expenses incurred by the Treasury Department in administration of title II of the Social Security Act and the Federal Insurance Contributions Act, reimbursed to the general fund of Treasury from old-age and survivors insurance trust fund. Estimates for 1947 make specific provision for additional costs made necessary by pay legislation enacted near the close of 1944-45. The 1946 appropriations do not make specific provision for such costs, and thus are not comparable with 1947 estimates.

<sup>2</sup> Includes the following appropriations in the First Deficiency Appropriation Act, 1946: Social Security Board, salaries and expenses, \$1,949,125; grants to States for unemployment compensation administration, \$25,042,000.

<sup>3</sup> Excludes transfers from War Manpower Commission for employment office facilities and services.

<sup>4</sup> Source: *The Budget of the United States Government for the Fiscal Year Ending June 30, 1947.*

the appropriation for the current fiscal year. Grants for aid to dependent children are estimated at \$74 million, a 30-percent increase, and grants for aid to the blind at \$11.4 million, or 3 percent higher. The recommended appropriations are based on estimates of expenditures under State programs, which the Federal Government matches under the terms of the Social Security Act. The amount recommended for grants to States for unemployment compensation administration in 1946-47 reflects the increased administrative costs—as compared with the war period—resulting from the dislocation of the economy during the conversion from war to peace. The \$48 million proposed for financing the administrative costs of State unemployment compensation programs in 1946-47 is 16 percent less than the total amount appropriated for 1945-46, but 60 percent above appropriations for 1944-45.

Factors involved in the increased appropriation recommended for administrative expenses of the Board include an increase in the work load and added costs resulting from pay raises and inauguration of the shorter work-week near the close of the fiscal year 1944-45.

Appropriations are also made under the Social Security Act to the Children's Bureau and the Bureau of the Census. The same sum as in the current fiscal year—\$11.2 million—is recommended for grants to States for

Table 6.—Social insurance tax collections, fiscal years 1944-45, 1945-46, and 1946-47

[In millions]

Program	Estimated		Actual 1944-45
	1946-47	1945-46	
Total.....	\$2, 352	\$2, 184	\$2, 399
Old-age and survivors insurance, total.....	2, 103	1, 890	2, 082
Federal Insurance Contributions Act.....	1, 464	1, 131	1, 310
Federal employees' retirement acts <sup>1</sup> .....	405	495	487
Carriers Taxing Act.....	234	264	285
Unemployment insurance, total.....	249	295	317
Railroad Unemployment Insurance Act <sup>2</sup> .....	100	120	132
Federal Unemployment Tax Act.....	149	175	185

<sup>1</sup> Represents employee and Government contributions to the civil-service, Canal Zone, and Alaska Railroad retirement and disability funds.

<sup>2</sup> Represents the 10 percent of railroad unemployment insurance contributions shown as a receipt item in the budget and the 90 percent of collections deposited by the Railroad Retirement Board in the railroad unemployment insurance account of the unemployment trust fund.

Source: *The Budget of the United States Government for the Fiscal Year Ending June 30, 1947.*

ommended for grants to States for maternal and child health, services for crippled children, and child welfare services. This is the maximum amount authorized by title V of the act.

The grand total of \$574 million recommended for appropriation under the Social Security Act represents about 1.8 percent of all proposed Fed-

Table 7.—Social security trust fund operations, fiscal years 1944-45, 1945-46, and 1946-47

[In millions]

Item	Estimated		Actual 1944-45
	1946-47	1945-46	
Old-age and survivors insurance trust fund			
Receipts.....	\$1, 629	\$1, 278	\$1, 434
Appropriations (equal to Federal insurance contributions).....	1, 464	1, 131	1, 310
Interest on investments.....	165	147	124
Expenditures.....	445	356	267
Benefits.....	407	323	240
Administrative expenses.....	38	33	27
Net addition to fund.....	1, 184	922	1, 167
Total assets of fund as of June 30.....	8, 719	7, 535	6, 613
Investments in United States securities.....	1, 184	952	1, 137
Unemployment trust fund			
Receipts.....	1, 248	1, 316	1, 507
Deposits by States.....	1, 001	1, 056	1, 256
Deposits by Railroad Retirement Board.....	90	108	119
Transfers from railroad unemployment insurance administration fund.....	8	10	9
Interest on investments.....	149	143	124
Expenditures.....	1, 010	1, 005	71
Withdrawals by States.....	1, 000	1, 000	70
Benefit payments, railroad unemployment insurance account.....	10	5	1
Net addition to fund.....	238	311	1, 436
Total assets of fund as of June 30.....	7, 865	7, 627	7, 315
Investments in United States securities.....	238	311	1, 437

Source: *The Budget of the United States Government for the Fiscal Year Ending June 30, 1947.*



eral appropriations, as compared with 0.5 percent in the fiscal year 1946.

Estimates of revenues contained in the budget indicate that Federal unemployment tax collections are expected to decline by 15 percent during 1946-47 (table 6). Collections of contributions under the Federal employees' retirement systems are expected to decline by 18 percent and those under the Carriers Taxing Act by 11 percent. The only increase expected in receipts of social insurance taxes is one of 29 percent in Federal insurance contributions attributable to the increase in tax rates from 1 to 2½ percent now scheduled for January 1, 1947. Receipts from the five social insurance taxes covered by table 6 are expected to be \$2.4 billion in the fiscal year 1947 or 7 percent of the \$32.9 billion estimated for total Federal tax receipts. In the last full fiscal year of the war, 1944-1945, social insurance tax collections of \$2.4 billion represented about 5 percent of all Federal receipts.

The assets of the unemployment trust fund have grown by more than \$1 billion in each fiscal year since 1941-42, because of the large excess of receipts over expenditures. In 1944-45, the increase was \$1.4 billion, but the budget indicates increases of only \$311 million in 1945-46 and of only \$238 million in 1946-47 (table 7). In 1944-45, States withdrew from the fund only \$70 million for payment of unemployment benefits, but in both fiscal years 1946 and 1947, withdrawals are estimated in the budget at \$1 billion. The largest volume of withdrawals in any previous fiscal year occurred in 1940-41, when the total reached \$537 million.

Receipts of the unemployment trust fund, which consist primarily of deposits of tax collections by the States, are estimated to decline 13 percent during the current fiscal year and another 5 percent—to \$1 billion—in the fiscal year 1947.

The budget indicates that the growth in assets of the old-age and survivors insurance trust fund is not expected to be curtailed to the same degree as in the case of the unemployment trust fund. While appropriations of contributions to the fund are expected to decline and benefit payments to increase during the current year, a \$922-million excess of receipts

Table 8.—Contributions and taxes under selected social insurance and related programs by specified period, 1936-45

[In thousands]

Period	Retirement, disability, and survivors insurance			Unemployment insurance		
	Federal insurance contributions <sup>1</sup>	Federal civil-service contributions <sup>2</sup>	Taxes on carriers and their employees	State unemployment contributions <sup>3</sup>	Federal unemployment taxes <sup>4</sup>	Railroad unemployment insurance contributions
Calendar year:						
1936.....		(9)	\$183	(9)	\$ 223	
1937.....	\$492,814	(9)	92,652		\$ 80,620	
1938.....	473,527	\$115,290	110,929	\$778,392	88,745	
1939.....	567,605	129,957	113,219	824,879	102,001	\$16,082
1940.....	637,275	141,874	130,222	853,824	105,379	66,562
1941.....	789,298	168,100	148,184	1,006,327	98,018	73,644
1942.....	1,012,490	265,619	193,346	1,139,332	123,515	95,524
1943.....	1,239,490	432,913	232,247	1,325,421	160,921	109,157
1944.....	1,315,680	444,196	286,157	1,817,079	183,489	132,504
1945.....	1,285,486	540,775	279,058	1,161,883	184,405	130,414
6 months ended:						
December 1943.....	652,027	209,580	124,533	692,285	26,905	56,193
December 1944.....	675,585	340,826	143,626	656,092	30,575	67,179
December 1945.....	651,152	394,884	137,646	565,989	30,436	65,601
1944.....						
December.....	3,974	24,226	55,235	5,899	919	31,761
1945.....						
January.....	33,275	24,230	1,156	132,093	13,232	31
February.....	222,056	24,707	4,679	127,303	114,251	724
March.....	17,640	23,846	65,484	5,162	9,729	31,471
April.....	41,157	26,498	1,465	158,365	2,845	359
May.....	315,615	24,808	8,587	167,886	12,337	2,215
June.....	4,591	21,803	60,041	5,085	1,575	30,013
July.....	61,501	271,976	1,478	173,103	2,998	50
August.....	285,803	25,236	8,299	150,319	12,068	1,369
September.....	4,731	27,267	59,397	5,870	1,768	31,401
October.....	54,434	23,859	1,498	122,910	2,551	54
November.....	237,766	24,881	8,479	106,116	10,281	845
December.....	6,916	21,664	58,525	7,672	770	31,882

<sup>1</sup> Represents contributions of employees and employers in employments covered by old-age and survivors insurance.

<sup>2</sup> Represents employee and Government contributions to the civil-service, Canal Zone, and Alaska Railroad retirement and disability funds; in recent years Government contributions are made in July for the entire fiscal year.

<sup>3</sup> Represents contributions plus penalties and interest collected from employers and contributions from employees in 4 States, deposited in State clearing accounts. Data reported by State agencies, corrected to Feb. 6, 1946.

<sup>4</sup> Represents taxes paid by employers under the Federal Unemployment Tax Act.

<sup>5</sup> Not available.

<sup>6</sup> Includes \$40,561,886 subsequently refunded to States which did not collect taxes on 1936 pay rolls, and in which employers paid full tax to the Federal Government.

<sup>7</sup> Represents July contributions of \$24.4 million from employees, and contributions for fiscal year 1945-46 of \$246.4 million from the Federal Government and of \$1.2 million from the District of Columbia for certain District government employees.

Source: Daily Statement of the U. S. Treasury, unless otherwise noted.

over expenditures is anticipated. It is estimated that, because of the scheduled increase in contribution rates, appropriations to the fund will increase to \$1.5 billion in 1946-47, the highest level ever reached. Although benefit payments are also expected to reach a new high (\$407 million) in that year, a net addition of \$1.2 billion to the assets of the fund during the year is indicated.

Workers who are eligible for retirement but have kept on working will probably retire in increasing numbers as employment opportunities lessen, and benefit rolls will mount more rapidly than in recent years. In the last fiscal year, benefits totaled \$240 million (on a checks-cashed basis); the total is expected to increase 35 per-

cent in the current fiscal year and another 26 percent in 1946-47.

Social security financial operations during the calendar year 1945, summarized here, show that some of the trends forecast by the budget already had set in toward the close of 1945.

### Financial Operations in 1945

During the first half of 1945, receipts in the form of premiums collected under the Federal old-age and survivors insurance and the State unemployment insurance programs remained generally at the high war level, while benefit expenditures remained low. The reductions in employment and pay rolls following VE-day and VJ-day immediately resulted in larger withdrawals from the un-

Table 9.—Status of the unemployment trust fund, by specified period, 1936-45<sup>1</sup>

[In thousands]

Period	Total assets at end of period	Net total of U. S. Government securities acquired <sup>2</sup>	Unexpended balance at end of period	State accounts				Railroad unemployment insurance account			
				Deposits	Interest credited	Withdrawals <sup>3</sup>	Balance at end of period	Deposits	Interest credited	Benefit payments	Balance at end of period <sup>4</sup>
Cumulative, January 1936-December 1945.....	\$7,537,391	\$7,508,183	\$29,208	\$9,104,058	\$475,895	\$2,747,072	\$6,832,935	\$561,513	\$34,842	\$46,014	\$704,455
Calendar year:											
1940.....	1,957,977	436,300	12,677	860,784	58,898	614,814	1,804,833	59,907	1,220	15,449	153,144
1941.....	2,744,858	786,700	12,358	1,008,149	53,000	349,583	2,516,369	66,281	4,556	15,088	227,958
1942.....	3,698,008	955,000	11,008	1,138,530	68,048	344,263	3,378,714	85,973	6,083	6,695	319,291
1943.....	5,146,745	1,408,000	51,745	1,328,117	81,864	77,583	4,711,113	98,244	7,409	1,014	435,632
1944.....	6,583,434	1,484,000	4,434	1,316,940	60,518	63,153	6,015,418	119,261	4,564	568	568,016
1945.....	7,537,391	929,183	29,208	1,160,712	118,460	461,711	6,832,935	117,374	11,010	1,948	704,455
6 months ended:											
December 1943.....	5,146,745	728,000	51,745	691,372	41,101	23,929	4,711,113	50,575	3,722	255	435,632
December 1944.....	6,583,434	709,000	4,434	656,005	3,092	27,082	6,015,418	60,462	285	232	568,016
December 1945.....	7,537,391	201,010	29,208	563,713	8,413	418,300	6,832,935	59,041	793	1,395	704,455
1944.....											
December.....	6,583,434	33,000	4,434	7,071	2,336	4,910	6,015,418	28,585	216	53	568,016
1945.....											
January.....	6,674,828	74,000	21,828	43,537	50,165	6,970	6,102,174	27	4,637	100	572,654
February.....	6,880,453	220,000	7,453	211,822		6,758	6,307,239	652		92	573,214
March.....	6,914,989	38,000	3,989	11,346	2,702	7,970	6,318,317	28,324	250	116	601,672
April.....	6,956,109	25,000	20,100	46,955		6,137	6,354,135	324		85	601,974
May.....	7,226,959	283,000	7,959	276,077		7,280	6,822,933	2,117		65	604,026
June.....	7,315,258	88,173	8,084	7,261	57,180	8,296	6,679,109	26,888	5,330	96	636,148
July.....	7,372,826	35,000	30,653	62,778		14,932	6,726,955	45		41	645,870
August.....	7,610,393	251,000	17,219	257,968		21,593	6,963,330	1,232		41	647,061
September.....	7,596,118	-20,000	22,944	8,750	3,494	55,040	6,920,534	28,261	327	100	675,582
October.....	7,531,594	-90,000	48,420	42,316	437	107,224	6,856,064	49	41	216	675,528
November.....	7,606,978	65,000	58,804	183,097	141	108,283	6,931,019	760	13	388	675,957
December.....	7,537,391	-39,990	29,208	8,803	4,341	111,228	6,832,935	28,694	412	608	704,455

<sup>1</sup> Beginning July 1939, contains separate book account for railroad unemployment insurance, in which are held moneys deposited by Railroad Retirement Board and from which Secretary of the Treasury makes benefit payments as certified by the Railroad Retirement Board. Contains also separate account for each State agency, in which are held all moneys deposited from State unemployment funds and from which State agencies withdraw amounts as required for benefit payments.

<sup>2</sup> Includes accrued interest. Minus figures represent redemptions.

<sup>3</sup> Includes transfers from State accounts to railroad unemployment insurance account amounting to \$106,520,286, of which \$441,316 was transferred from Kentucky in 1945.

<sup>4</sup> Includes transfers from railroad unemployment insurance administration fund amounting to \$47,649,000, of which \$9,618,000 was transferred in 1945.

Source: Daily Statement of the U. S. Treasury.

Table 10.—Status of the old-age and survivors insurance trust fund, by specified period, 1937-45

[In thousands]

Period	Receipts		Expenditures		Assets			
	Transfers and appropriations to trust fund <sup>1</sup>	Interest received <sup>2</sup>	Benefit payments <sup>3</sup>	Reimbursement for administrative expenses <sup>4</sup>	Net total of U. S. Government securities acquired <sup>5</sup>	Cash with disbursing officer at end of period	Credit of fund account at end of period	Total assets at end of period
Cumulative, January 1937-December 1945.....	\$7,672,449	\$545,225	\$928,135	\$168,884	\$7,054,771	\$44,870	\$21,362	\$7,120,655
Calendar year:								
1940.....	607,004	42,861	35,354	26,203	581,300	10,416	3,789	2,030,706
1941.....	739,298	56,159	88,053	26,158	719,900	16,530	8,992	2,761,921
1942.....	1,012,490	72,271	130,675	27,598	919,034	27,382	5,294	3,688,110
1943.....	1,239,490	88,250	165,938	29,454	1,123,400	29,097	12,527	4,820,458
1944.....	1,315,680	106,741	208,972	29,201	1,188,000	29,418	8,455	6,004,707
1945.....	1,285,486	134,318	273,885	29,973	1,087,937	44,870	21,362	7,120,655
6 months ended:								
December 1943.....	652,027	2,684	86,223	16,326	542,000	29,097	12,527	4,820,458
December 1944.....	675,585	6,248	110,598	12,920	557,964	29,418	8,455	6,004,707
December 1945.....	651,152	16,712	144,649	15,941	508,490	44,870	21,362	7,120,655
1944.....								
December.....	3,974	2,530	19,248	1,869	290,000	29,418	8,455	6,004,707
1945.....								
January.....	33,275	4,938	20,032	2,307	-13,000	30,376	36,371	6,020,582
February.....	222,056		19,431	2,307		32,936	234,129	6,220,899
March.....	17,640	7,673	22,751	2,307	200,000	32,256	35,065	6,221,155
April.....	41,157		21,820	2,370		33,427	50,860	6,238,121
May.....	315,615		22,845	2,370		33,509	341,115	6,528,518
June.....	4,591	104,995	22,354	2,370	392,447	35,092	32,007	6,613,381
July.....	61,501		23,139	2,476		35,938	67,048	6,649,267
August.....	285,803		22,888	2,476		38,021	325,404	6,909,706
September.....	4,731	9,242	23,497	2,476	273,000	39,074	39,351	6,897,706
October.....	54,434		25,365	2,838		38,682	65,974	6,923,938
November.....	237,766	90	24,082	2,838	-15,000	42,582	288,020	7,134,883
December.....	6,916	7,371	25,678	2,838	250,490	44,870	21,362	7,120,655

<sup>1</sup> Beginning July 1940, trust fund appropriations equal taxes collected under the Federal Insurance Contributions Act.

<sup>2</sup> Interest on investments held is credited annually in June; on investments redeemed, in month of redemption.

<sup>3</sup> Based on checks cashed and returned to Treasury.

<sup>4</sup> Figures for 1944 and 1945 include bookkeeping adjustments for reimbursements in previous years and do not reflect actual outlays.

<sup>5</sup> Includes accrued interest.

Source: Daily Statement of the U. S. Treasury.

employment trust fund for benefit payments, but receipts under both programs were not affected until the last quarter of the year, since collections are based on wages earned in the preceding quarter.

**Premium revenue.**—During the first 9 months of the year, collections of Federal insurance contributions remained at the 1944 level (table 8). April-June collections were actually higher than in any other quarter since the beginning of the program. In the last quarter of the year, however, contributions were almost 10 percent below those in the last quarter of 1944. Nevertheless, total contributions of \$1,285 million during 1945 were only 2 percent under the record high of the preceding year.

Federal collections of unemployment taxes slightly exceeded those during 1944. Because the taxes on each year's pay rolls are not payable until the following year, the decline in production in the latter part of 1945 will not be reflected in Federal unemployment tax collections until 1946. State unemployment contributions, however, which are based on earnings in the preceding quarter, reflected the decline in production; contributions in the last quarter of 1945 were 26 percent less than in the last quarter of 1944, and for the year as a whole were 12 percent less than in 1944.

Taxes on carriers and their employees and railroad unemployment insurance contributions for 1945 were slightly below 1944 collections. Contributions to the three Federal Government retirement funds shown in table 8, however, rose 23 percent during the year; premiums paid by employees increased by about 5 percent, while the Government contribution rose, on the average, more than 25 percent.

**Unemployment trust fund.**—The most striking change in operations of this fund in 1945, as compared with the previous war years, occurred in the amounts withdrawn by the States to pay unemployment benefits. The States withdrew \$462 million, as against \$63 million in 1944; 1945 withdrawals were exceeded only by those in 1940 (table 9). During the first half of 1945, State withdrawals averaged \$7 million a month, but in July they rose to \$15 million and continued

Table 11.—Cash income and outgo: <sup>1</sup> Total Federal and Social Security Board programs, by specified period, 1944 and 1945

[In millions]

Classification	1944	1945				
		Total	January-March	April-June	July-September	October-December
Cash income.....	\$48,885	<sup>2</sup> \$51,376	\$15,368	\$13,267	\$12,322	\$10,399
Social security.....	2,816	2,630	677	708	698	547
Federal insurance contributions.....	1,316	1,285	273	361	352	299
Federal unemployment taxes.....	183	184	137	17	17	14
Deposits in unemployment trust fund <sup>3</sup> .....	1,317	1,161	267	330	329	234
Other.....	46,069	48,746	14,691	12,579	11,624	9,852
Cash outgo.....	95,449	<sup>2</sup> 87,906	24,001	25,287	22,505	16,115
Social security <sup>4</sup> .....	750	1,224	198	203	287	536
Social Security Board.....	471	481	112	112	124	132
Administrative expenses.....	23	27	6	7	6	7
Grants to States.....	447	453	106	105	117	125
Public assistance <sup>5</sup> .....	412	411	97	98	105	111
Unemployment compensation administration.....	36	43	0	8	12	14
State withdrawals from unemployment trust fund.....	63	462	22	22	92	327
Old-age and survivors insurance benefits.....	209	274	62	67	70	76
Administrative expenses, Department of the Treasury <sup>6</sup> .....	7	8	2	2	2	2
Other.....	94,699	86,682	23,803	25,064	22,218	15,579

<sup>1</sup> Cash income and outgo represent flow of cash, exclusive of borrowed cash, into and out of Treasury. Data include expenditures from trust funds, exclude transactions between Government agencies (i. e., transfers to trust accounts from general funds, investment of funds in special issues, repayment of sums borrowed) and other transactions, such as issuance or redemption of public-debt obligations other than redemptions of adjusted-service bonds.

<sup>2</sup> Corrected figures from *Bulletin of the Treasury Department*, January 1946.

<sup>3</sup> Deposits by States of contributions collected under State unemployment insurance laws.

<sup>4</sup> Federal expenditures administered chiefly by

Social Security Board. Includes administrative expenses of Bureau of Census in connection with searching census records for old-age and survivors insurance; these expenses amounted to less than \$500,000 in each year.

<sup>5</sup> Old-age assistance, aid to dependent children, aid to the blind.

<sup>6</sup> In connection with old-age and survivors insurance.

Source: Total Federal cash income and outgo from *Bulletin of the Treasury Department*, other data from *Daily Statement of the U. S. Treasury*.

Table 12.—Federal appropriations and expenditures under programs <sup>1</sup> administered by the Social Security Board, by specified period, 1944-46

[In thousands]

Item	Fiscal year 1944-45		Fiscal year 1945-46	
	Appropriations <sup>2</sup>	Expenditures through December <sup>3</sup>	Appropriations <sup>2</sup>	Expenditures through December <sup>3</sup>
Total.....	\$709,650	\$345,131	\$314,006	\$405,332
Administrative expenses.....	25,611	14,792	24,964	18,262
Federal Security Agency, Social Security Board <sup>4</sup> .....	25,446	11,087	24,819	13,713
Department of Commerce, Bureau of the Census.....	165	65	145	48
Department of the Treasury <sup>5</sup> .....	( <sup>6</sup> ) 3,640	219,741	( <sup>6</sup> ) 4,501	4,501
Grants to States.....	444,214	219,741	488,042	242,421
Old-age assistance.....		169,396		183,255
Aid to dependent children.....		27,127		27,459
Aid to the blind.....		5,163		5,221
Unemployment compensation administration.....		18,055		26,486
Benefit payments, old-age and survivors insurance.....	<sup>7</sup> 34,414		<sup>8</sup> 301,000	144,649
	<sup>9</sup> 239,834	110,598		

<sup>1</sup> Excludes war emergency programs.

<sup>2</sup> Excludes unexpended balance of appropriations for preceding fiscal year. Includes for 1945-46 additional appropriations provided in First Deficiency Appropriation Act, 1946, approved Dec. 28, 1945.

<sup>3</sup> Based on checks cashed and returned to Treasury. Includes expenditures from unexpended balance of appropriations for preceding fiscal year.

<sup>4</sup> Represents appropriations and expenditures for salaries and some miscellaneous items; excludes other miscellaneous expenditures of the Board made from Federal Security Agency appropriations. Includes amounts expended by the Board in administration of old-age and survivors insurance, reimbursed from old-age and survivors insurance trust fund to general fund of Treasury.

<sup>5</sup> Represents amounts expended by Treasury in

administering title II of the Social Security Act and the Federal Insurance Contributions Act, reimbursed from old-age and survivors insurance trust fund to general fund of Treasury.

<sup>6</sup> Not available because not separated from appropriations for other purposes.

<sup>7</sup> Includes \$4,417,892 transferred from War Manpower Commission as reimbursement for expenditures for employment office facilities and services.

<sup>8</sup> Represents actual payments during 1944-45 from old-age and survivors insurance trust fund.

<sup>9</sup> Represents estimated expenditures as shown in 1945-46 budget.

Source: Federal appropriation acts and 1945-46 budget (appropriations); *Daily Statement of the U. S. Treasury* (expenditures).

to increase sharply each month, reaching \$107 million in October. Withdrawals in December totaled \$111 million, one-third more than in October 1940, the previous high month. The effects of the cut-backs in war production were most evident in the last quarter of the year, when States made about 70 percent of their withdrawals for the entire year. Almost all States withdrew more than in 1944, and Delaware, Ohio, Oregon, Vermont, and Virginia had the largest relative increases.

Both the rate of outgo from the unemployment trust fund and deposits in the fund returned to prewar levels. Deposits of \$1,161 million were 12 percent less than in 1944. In the last quarter of 1945, moreover, the amount deposited was 26 percent less than in the last quarter of 1944 and lower than in any October-December quarter since 1940.

Total assets of the fund increased by \$954 million, as compared with increases of \$1.4 billion in both 1944 and 1943. During the first 8 months, assets increased steadily, but in September, October, and December, withdrawals were much greater than deposits and consequently assets declined. On December 31 the fund's assets totaled \$7.5 billion.

Assets not needed to meet withdrawals during the year were invested in Government securities of two types: short-term 1½-percent special certificates of indebtedness and long-term 2½-percent regular Treasury bonds. The net addition to securities amounted to only \$929 million, as compared with \$1.5 billion in 1944 and \$1.4 billion in 1943.

*Old-age and survivors insurance trust fund.*—Unlike receipts of the unemployment trust fund, receipts of the old-age and survivors insurance trust fund during the calendar year—\$1,420 million—were almost as high as in the preceding year (table 10). The slight decline in appropriations was almost entirely offset by the higher interest earnings.

Expenditures from the fund consisted of benefit payments and reimbursements to the Treasury for administrative expenses incurred in connection with the old-age and survivors insurance program. Expenditures were considerably higher (28 percent) than in 1944, principally be-

Table 13.—*Social security trust fund investments and the interest-bearing public debt, January-December 1945*

Item	Investments as of Dec. 31, 1944		Net acquisitions, January-December	Investments as of Dec. 31, 1945	
	Amount (in millions)	Average interest rate (percent)	Amount (in millions)	Amount (in millions)	Average interest rate (percent)
Total interest-bearing public debt.....	\$228, 891	1. 919	\$46, 802	\$275, 694	1. 965
Securities acquired by social security trust funds:					
Old-age and survivors insurance trust fund..	5, 967	2. 196	1, 088	7, 055	2. 144
Unemployment trust fund.....	6, 579	1. 914	929	7, 508	1. 934
All other interest-bearing securities.....	216, 345	-----	44, 786	261, 131	-----

Source: *Daily Statement of the U. S. Treasury.*

cause of a 31-percent increase in benefit payments, which rose to \$274 million (on a checks-cashed basis) as compared with \$209 million in 1944. The increase in benefit disbursements was larger in 1945 than in any previous year. Late in the year, for the first time since the beginning of the program, benefit payments reached \$25 million a month.

Receipts of the fund not needed for current disbursement were invested in Government securities, of which the fund acquired a net additional amount of \$1,088 million. Investment transactions consisted of the acquisition of \$2,821 million of new securities and of the redemption of \$1,733 million of securities previously held. Most investment activity was concentrated in 2 months, June and December. In June, \$1,556 million of Treasury notes and certificates of indebtedness matured and \$1,948 million in new securities were acquired. In December, \$150 million of 1½-percent special certificates of indebtedness were redeemed and \$400 million of 2½-percent regular Treasury bonds, series 1967-72, were acquired. At the end of the year the fund held Government securities aggregating \$7,055 million.

*Receipts and expenditures.*—Cash receipts and expenditures of the Federal Government, as well as the cash income and outgo under the Board's programs, are shown for the years 1944 and 1945 in table 11. Cash income of the U. S. Government in 1945—\$51 billion—was 5 percent more than the high income of the preceding year, even though the amount declined each quarter, from \$15 billion in the first quarter to \$10 billion in the fourth. Cash outgo amounted to

\$88 billion, 8 percent less than in 1944, the peak year. Reflecting reduced war expenditures, cash outgo declined from \$24 billion in January-March to \$16 billion in October-December. Cash outgo under the Board's social security programs, on the other hand, increased 63 percent and cash income declined 7 percent in 1945.

The original appropriation for the fiscal year 1945-46 for grants to States for the administration of unemployment compensation was \$32 million. The First Deficiency Appropriation Act of 1946, approved December 28, 1945, appropriated an additional \$25 million to meet the rising administrative costs of the States in handling the greatly increased volume of claims. This act also included a deficiency appropriation of \$1,949,125 for administrative expenses of the Board. As a result, the total sum appropriated for the fiscal year 1945-46 for the Board programs shown in table 12 rose to \$814 million.

Federal expenditures under these programs from July through December 1945 were about 17 percent higher than in the last 6 months of 1944. The largest single increase, 47 percent, occurred in grants to States for unemployment compensation administration. Grants for old-age assistance rose by 8 percent; grants for aid to dependent children and for aid to the blind were only slightly higher. A substantial increase, 31 percent, took place in old-age and survivors insurance benefit payments. Administrative expenses of the Board, and of the Treasury and Commerce Departments in connection with old-age and survivors programs, increased by 23 percent.



## Recent Publications in the Field of Social Security\*

### Social Security Board

BRONSON, DORRANCE CRAWFORD. *Cost Study for Complete Coverage Program of Old-Age, Survivors and Disability Insurance*. Washington: Social Security Board, Office of the Actuary, 1945. 96 pp. Processed. (Actuarial Study No. 22.)

Tables, charts, and text presenting actuarial estimates of the costs and number of beneficiaries which would result from universal coverage under OASI, liberalizations in the benefit formula, changes in the method of determining average wages, the lowering of women's eligibility to age 60, the paying of lump-sum benefits in all cases of death, and the introduction of benefits for prolonged disability. Free distribution: apply to the Office of the Actuary, Social Security Board, Washington 25, D. C.

FISHER, JACOB. *Cash Benefits Under the New Zealand Social Security Program*. Washington: U. S. Govt. Print. Off., 1945. 42 pp. (U. S. Social Security Board, Bureau of Research and Statistics, Bureau Report No. 13.) 15 cents.

An up-to-date factual analysis of that part of the New Zealand social security program which relates to cash benefits. Considers types of benefits, eligibility, benefit rates, sources of funds, expenditures, and administration.

*Social Security Yearbook, 1944*. (Annual supplement, for the calendar year 1944, to the *Social Security Bulletin*.) U. S. Govt. Print. Off., 1945. 169 pp., including 161 tables, 15 charts, and index. 50 cents. Issues for earlier years are also on sale by the Superintendent of Documents, Govt. Print. Off., Washington 25, D. C., as follows: for 1939, 50 cents; for 1940 and for 1941, 70 cents each; for 1942, 50 cents; and for 1943, 45 cents.

The 1944 YEARBOOK, a basic reference source on social security (the

sixth in a series), describes socio-economic and financial aspects of various public measures for social security and related purposes and provides an annual chronology of significant legislative and administrative developments which affected operations of these programs in the United States or marked the progress of similar programs in foreign countries. Separate sections on the programs for which the Social Security Board carries administrative responsibility—old-age and survivors insurance, unemployment insurance, and public assistance—comprise analytic text, text tables and charts, basic tables which follow patterns of previous YEARBOOKS, and technical notes on operational and administrative factors to be considered in interpreting the data presented.

A special analysis of benefits under old-age and survivors insurance since monthly amounts became payable in January 1940 discusses the number, types, and amounts of awards; the characteristics of workers represented in awards; and the characteristics of beneficiaries as individuals and as family groups. The increase in numbers of workers with insured status under this program is analyzed in terms of eligibility for primary benefits; claims for primary and supplementary benefits; death claim rate; and primary benefit amounts accrued as of the beginning of 1944 on the basis of wages in covered employment. The basic tables on workers with wage credits under old-age and survivors insurance provide information by major industry group on single-employer and multi-employer workers and distributions of workers by sex, race, age group, and amount of wage credits.

The discussion of developments in State unemployment insurance programs includes a summary of Federal legislative proposals and enactments in 1944. Material furnished by the U. S. Employment Service provides summary tables on nonagricultural placements during 1944. The Public Assistance section includes a discussion on allocation of costs for public assistance among the Federal, State, and local governments.

U. S. SOCIAL SECURITY BOARD. BUREAU OF EMPLOYMENT SECURITY. *Princi-*

*ples Underlying Availability for Work*. Washington: The Bureau, 1945. 41 pp. Processed. (Attachment to Unemployment Compensation Program Letter No. 103.)

A statement outlining the principles and applying them specifically to typical situations. Limited free distribution: apply to the Bureau of Employment Security, Social Security Board, Washington 25, D. C.

### General

"Assurances Sociales et Vieux Travailleurs." *Revue Générale des Accidents du Travail des Assurances Sociales et des Allocations Familiales*, Paris, Vol. 17, Jan.-Feb. 1945, entire issue.

The text of the Order of February 3, 1945, increasing the amount of pensions and making other changes in the French old-age allowances and old-age and invalidity pensions program. Includes subsequent decrees and regulations and descriptive article by A. Weinstock.

ENOCHS, ELISABETH SHIRLEY. "The First Pan American Congress of Social Service." *Bulletin of the Pan American Union*, Washington, Vol. 79, Dec. 1945, pp. 681-685. 15 cents. Reviews the work of the Congress which met in Santiago, Chile, in September 1945.

GOULD, MARGARET. *Family Allowances in Canada; Facts Versus Fiction*. Toronto: The Ryerson Press, 1945. 38 pp. (Canada Must Choose.) 25 cents.

Examines and answers the principal objections which have been raised against the Family Allowance Act.

GROVES, HAROLD M. *Financing Government*. New York: Henry Holt and Company, 1945. 653 pp. Rev. Ed. \$4.

A comprehensive textbook on the principles, practices, and problems of government finance. Includes a discussion of the economic and social effects of social security financing.

LEAGUE OF NATIONS. *Statistical Yearbook of the League of Nations, 1942/44*. Geneva: The League, 1945. Seventeenth issue. Prepared by the Economic Intelligence Service. 315 pp. (United States agent: Columbia University Press, New York.) \$3.50.

Statistics on population, marriages, births, deaths, mortality rates, employment and unemployment, production, currency and banking, public finance, and national income for all

\*The inclusion of prices of publications in this list is intended as a service to the reader, but any orders must be directed to publishers or booksellers and not to the Social Security Board or the Federal Security Agency. Federal publications for which prices are listed should be ordered from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

countries for which figures are available.

"Legislación Social Boliviana." *Protección Social*, La Paz, Bolivia, Vol. 3, Sept. 1945, pp. 61-123.

A compilation of the decrees and regulations governing the administration and organization of the Workers' Insurance and Savings Fund.

LUTZ, HARLEY L. *Guideposts to a Free Economy*. New York: McGraw-Hill Book Company, Inc., 1945. 206 pp. \$2.

A series of essays on national income, taxation, government finance, public debt, and private enterprise. In the chapter on Social Security, the author criticizes the reserve fund principle of financing and urges the adoption of a tax rate to cover only current costs and benefits. The paper, Government and Unemployment, opposes a Government-sponsored public works program.

NATIONAL CONFERENCE OF SOCIAL WORK. *Proceedings . . . Selected Papers, Seventy-Second Annual Meeting, 1945*. New York: Published for the National Conference of Social Work by Columbia University Press, 1945. 407 pp. \$5.

Among the 38 papers dealing with social welfare activities in the war and postwar period are: The Year of Decision for Social Work, by Ellen C. Potter; Economic and Social Readjustments in the Reconversion Period, by William Haber; Problems of Migration, by Ewan Clague; Social Security in the Reconversion Period, by Arthur J. Altmeyer; Next Steps in Public Assistance, by Jane M. Hoey; The United States Employment Service: A Community Service Agency, by Robert C. Goodwin; Family Allowances in Canada, by Harry M. Cassidy; Are Medical Services in the United States Adequate To Meet the Nation's Health Needs? by Thomas J. Parran; Social Work and Social Action, by Kenneth L. M. Pray; Techniques of Social Action: Securing Social Legislation, by Paul L. Benjamin. Other papers discuss work with veterans, organization and methods, labor participation in social work, and child welfare.

U. S. CONGRESS. HOUSE. COMMITTEE ON WAYS AND MEANS. SOCIAL SECURITY TECHNICAL STAFF. *Issues in Social Security . . .* Washington: U. S. Govt. Print. Off., 1946. 742 pp.

A report prepared by the Committee's technical staff, headed by Leonard J. Calhoun. Describes the old-age and survivors insurance, public assistance, and unemployment com-

pensation programs, reviews proposed changes in each, and evaluates the purpose, effect, and cost of such changes. Appendixes carry statistical data and other factual material on each program. For a brief summary of the report see pages 3-9 in this issue.

### Old-Age and Survivors Insurance

"1946: Retirement Plans Should Become Available." *Hospitals*, Chicago, Vol. 19, Dec. 1945, pp. 39-41. 30 cents.

The program developed by the Pensions Committee of the American Hospital Association approves OASI coverage for hospital employees in addition to private pension plans operated in conjunction with the National Health and Welfare Retirement Association.

R. H. MACY & Co. *Retirement System for Employees of R. H. Macy & Co., Inc. and Affiliates*. New York: The Company, 1945. 90 pp.

An outline of the pension and profit-sharing plans.

RESEARCH INSTITUTE OF AMERICA. *Employee Benefit Plans*. New York: The Institute, 1945. 60 pp. (Analysis 29b.)

A discussion of the tax problems surrounding employee pension and profit-sharing plans.

ROBINSON, GEORGE B. "The Old-Age Reserve is Not 'Illusory'." *Quarterly Journal of Economics*, Cambridge, Mass., Vol. 60, Nov. 1945, pp. 136-153. \$1.25.

Analyzes the nature and function of the reserve fund and answers the arguments for current financing advanced by Harley Lutz in the Tax Foundation's study of *Social Security, Its Present and Future Fiscal Aspects*.

### Employment Security

BLOCK, GOODMAN. "The Truth About Unemployment Insurance." *Social Forces*, Baltimore, Vol. 24, Dec. 1945, pp. 224-231. \$1.

Contends that experience rating, eligibility qualifications, and other factors are unduly restricting the insurance program.

BROWN, RAY. "Unemployment Insurance." *Trades and Labor Congress Journal*, Montreal, Vol. 24, Nov. 1945, pp. 17-18. 10 cents.

Discusses the function of the joint employee-employer Employment Advisory Committees established under the Canadian Unemployment Insurance Act.

CALIFORNIA. STATE RECONSTRUCTION AND REEMPLOYMENT COMMISSION. *A Production and Employment Estimate for California*. Presented by Van Beuren Stanberry . . . to Joint Meeting of the Citizens Advisory Committees on Social and Industrial Welfare and on Coordination of Research Facilities. Sacramento: The Commission, 1945. 18 pp. Processed.

Considers the possibility of estimating production and employment on State levels.

CANADA. UNEMPLOYMENT INSURANCE COMMISSION. *Fourth Report . . . for the Fiscal Year Ending March 31, 1945*. Ottawa: Edmond Cloutier, 1945. 43 pp. 10 cents.

CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA. COMMITTEE ON ECONOMIC POLICY. *A Program for Sustaining Employment*. Washington: The Chamber, 1945. 32 pp.

Chiefly concerned with long-range policies for preventing cyclical unemployment.

GILBERT, MILTON. "Toward Full Employment." *Fortune*, New York, Vol. 32, Oct. 1945, pp. 158-159 ff. \$1.

Argues for enactment of the full employment bill proposed by Senator Murray as the means through which the Government can create prosperous business conditions.

HAYES, HARRY GORDON. *Spending, Saving, & Employment*. New York: Alfred A. Knopf, 1945. 259 pp. \$3.

An analysis of the causes of depressions and unemployment, concluding that maintenance of consumer purchasing power is essential to a high level of employment.

HIBBARD, R. L. "Unemployment Compensation Experience Rating and the Business Cycle." *American Economic Security*, Washington, Vol. 2, Oct.-Nov. 1945, pp. 11-21. \$1 a year.

Concludes that "experience rating has made . . . a real contribution to the stabilization of employment."

JOHNSON, JAMES W. "Experience Rating in Unemployment Compensation." *American Economic Security*, Washington, Vol. 2, Oct.-Nov. 1945, pp. 7-11. \$1 a year.

Shows how experience rating saves the taxpayer money but does not endanger a State's reserve fund.

MORSTEIN MARX, FRITZ, Editor. "Maintaining High-Level Production and Employment: A Symposium." *American Political Science Review*, Menasha, Wis., Vol. 39, Dec. 1945, pp. 1119-1179. \$1.

Papers by James E. Murray, Gerhard Colm, W. Hardy Wickwar, E. E. Schattschneider, John J. Corson, and Ralph E. Flanders which consider the full employment bill, the extent to which Government policies can influence national economy, the organization of Government departments for administering employment policies, the attitude of political parties and private enterprise toward the proposed legislation, and British planning for an employment program.

"Numbers of Persons Insured Against Unemployment." *Ministry of Labour Gazette*, London, Vol. 53, Nov. 1945, pp. 190-193. 6d.

Estimates by age, sex, and industry, for Great Britain and the United Kingdom, as of July 1945.

"Roads to Full Employment." *Social Action*, New York, Vol. 11, Dec. 15, 1945, pp. 4-34. 15 cents.

Includes Labor's Road to Full Employment, by Kermit Eby; A Management View of the Road to Full Employment, by Ralph E. Flanders; and The Churches and Full Employment, by Frank W. McCulloch.

SLICHTER, SUMNER H. "More Job Givers Wanted." *Fortune*, New York, Vol. 32, Oct. 1945, pp. 160-161 ff. \$1. Maintains that the slogan of full employment is vague and meaningless and that more jobs are the result of more capital investment.

"Your Town, Maximum Employment, and the U. S. Employment Service." *Employment Service Review*, Washington, Vol. 12, Dec. 1945, pp. 3-22. 10 cents.

A series of articles showing how communities and local USES offices are cooperating in planning for employment.

### Public Welfare and Relief

BISHOP, MARGARET KINCAID. "County Participation in a Public Assistance Program." *Public Welfare*, Chicago, Vol. 3, Dec. 1945, pp. 270-274. 50 cents.

"The problems which face administration at a county level in interpreting the program to the supervisory and visiting staff on the one hand, and to the community on the other."

DUVALL, MARIE C. "OAA Recipients in Private Institutions for Aged." *The Federator* (Federation of Social Agencies of Pittsburgh and Allegheny County), Pittsburgh, Vol. 20, Dec. 1945, pp. 5-10. 15 cents. A survey of private institutions for the aged in Allegheny County.

"15 Per Cent of Aid Funds Go for Medical Treatment." *Public Welfare* (Wisconsin Department of Public Welfare), Madison, Vol. 2, Dec. 1945, p. 12.

Results of a survey made by the Wisconsin Department of Public Welfare.

GREAT BRITAIN. ASSISTANCE BOARD. *Report of the Assistance Board for the Year Ended 31st December 1944*. London: H. M. Stationery Office, 1945. 40 pp. (Command Paper 6700.) 9d.

A comprehensive review showing the development of the Assistance Board from an agency specializing in assistance to the unemployed to a national assistance agency.

GRIFFIN, JOHN J. "Sheltered Care for the Aged." *Survey Midmonthly*, New York, Vol. 81, Dec. 1945, pp. 323-326. 30 cents.

Discusses conditions in commercial homes for the aged in Massachusetts and proposes standards for regulation and administration of such homes.

JELINSKI, L. T. "Organization and Operation of County Welfare Departments." *Public Welfare* (Wisconsin Department of Public Welfare), Madison, Vol. 2, Dec. 1945, pp. 13-16.

KATZ, JUDITH, and ZELDITCH, MORRIS. "Public Assistance Under the Wagner-Murray-Dingell Bill." *Highlights*, New York, Vol. 6, Dec. 1945, pp. 129-132. 15 cents.

"Origin and Development of Public Assistance in Pennsylvania." *Pennsylvania Public Assistance Review*, Third Quarter, 1945, pp. 1-41. Processed.

Traces the changes in the method and extent of granting aid and the development of the concept of society's responsibility toward those in need.

ROMNES, BJARNE. "Citizens' Responsibility for Social Welfare." *Public Welfare* (Wisconsin Department of Public Welfare), Madison, Vol. 2, Nov. 1945, pp. 7-10.

The Executive Director of the Wisconsin Welfare Council discusses the work of the council and ways of stimulating citizen participation in social welfare programs.

### Health and Medical Care

ALABAMA. DEPARTMENT OF HEALTH. BUREAU OF ADMINISTRATION. "Hospital Care." *Journal of the Medical Association of the State of Alabama*, Montgomery, Vol. 15, Dec. 1945, pp. 195-197. 25 cents.

The medical, surgical, and obstetric services now available through the Hospital Service Corporation of Alabama.

DAVIS, MICHAEL M. "A Milestone in Health Progress." *Survey Graphic*, New York, Vol. 34, Dec. 1945, pp. 485-486. 30 cents.

An interpretation of the President's health program with comments on the organizations which may be expected to oppose or support the program.

GARFIELD, SIDNEY R. "The Plan that Kaiser Built." *Survey Graphic*, New York, Vol. 34, Dec. 1945, pp. 480-482. 30 cents.

Describes the complete health service available through the Permanente Health Plan.

HARDING, T. SWANN. "Prepaid Group Medical Care." *American Journal of Economics and Sociology*, New York, Vol. 5, Oct. 1945, pp. 65-78. \$1. Summarizes various plans.

HILLIARD, RAYMOND M. "The Development of County Homes for Care of the Chronically Ill." *Public Welfare*, Chicago, Vol. 3, Dec. 1945, pp. 266-269. 50 cents.

Describes the Illinois program for State-financed care of the chronically ill, the blind, and recipients of old-age assistance in county homes.

JORDAN, FRED. "Saskatchewan Plans for Extensive Health Insurance Coverage." *Eastern Underwriter*, New York, Vol. 47, Jan. 11, 1946, p. 34. 25 cents.

Outlines the proposals for a comprehensive health insurance program.

KLEM, MARGARET C. "Buying Insurance Against Sickness." *Survey Graphic*, New York, Vol. 34, Dec. 1945, pp. 483-484 f. 30 cents.

The number of subscribers covered and the extent of services provided by commercial group insurance and voluntary prepayment plans.

"Medicine and the Changing Order." *Journal of the American Medical Association*, Chicago, Vol. 130, Jan. 12, 1946, pp. 94-95. 25 cents.

A preliminary statement by the Committee on Medicine and the Changing Order of the New York Academy of Medicine on President Truman's message on a national health program. While in accord with the President's objectives, the Committee opposes the suggested methods, especially compulsory health insurance.

MILLER, WATSON B. "The People's Health—A National Asset." *New York Medicine*, New York, Vol. 2, Jan. 5, 1946, pp. 17-22 f. 15 cents. The need for a national health pro-



gram and compulsory health insurance. The same issue comments editorially on Mr. Miller's address.

"The Proposed National Health Service." *British Medical Journal*, London, No. 4432, Dec. 15, 1945, pp. 833-834. 1s. 6d.

A statement of fundamental principles drawn up by representatives of the various medical associations of Great Britain.

RICHARDSON, HENRY B. "A Health Program for America." *American Federationist*, Washington, Vol. 53, Jan. 1946, pp. 18-21. 20 cents.

Discussion of the need for a national health program and of the proposals of the Wagner-Murray-Dingell health bill (S. 1606).

STUCKE, ADELA. "Notes on Compulsory Sickness Insurance Legislation in the States, 1939-1944." *Public Health Reports*, Washington, Vol. 60, Dec. 28, 1945, pp. 1551-1564. 10 cents.

A review of State legislation.

THORNBURGH, FRANCES. "How Arkansas Hospitals and Health Department Built a Program for Care of

the Indigent." *Hospitals*, Chicago, Vol. 19, Dec. 1945, pp. 70-71. 30 cents.

U. S. CONGRESS. SENATE. COMMITTEE ON EDUCATION AND LABOR. *National Health Act of 1945*. Washington: U. S. Govt. Print. Off., 1945. 36 pp. (79th Cong., 1st sess., Senate Committee Print No. 1.)

The text of President Truman's message on a national health program, a summary of the Wagner-Murray-Dingell national health bill of 1945, and questions and answers on prepaid medical care.

(Continued from page 2)

creasing in the second half of 1944. By November of that year the decrease in number of families and children receiving aid was halted, and the rolls rose almost uninterruptedly throughout 1945. Some of this rise, however, was due to a change in administrative procedures, which encouraged the transfer to aid to dependent children of some children who had previously been aided through payments of old-age assistance or aid to the blind made to another person in the family. General assistance, the program most quickly and drastically affected by the wartime rise in employment opportunities, responded even earlier to the changes in the labor market. From July 1944 on, reports from 19 of the largest cities in the country showed more cases opened each month because of loss of a job or earnings than

were closed because of getting a job or an increase in earnings; the effect on the total case load for the country as a whole, however, was not evident until the latter months of 1945. In September the total number of aged recipients rose for the first time since June 1942, and in November the number of recipients of aid to the blind increased for the first time since June 1943.

Average payments for each of the three special types rose in every month of 1945 and for general assistance, in 5 of the last 6 months. The range for the year was as follows:

Program	January	December
Old-age assistance.....	\$28.52	\$30.82
Aid to dependent children.....	45.68	52.05
Aid to the blind.....	29.40	33.52
General assistance.....	28.88	32.83

The total amount expended under

the four assistance programs rose from \$80 million in January to almost \$88.5 million in December.

### State Legislatures Memorialize Congress

During January both the old-age and survivors insurance program and that for old-age assistance were the subjects of memorials addressed to the President and Congress by State legislatures. The South Carolina Legislature requested enactment of legislation reducing the age limit for old-age and survivors insurance and providing disability benefits to commence with disability. Colorado asked that the Social Security Act be amended to permit recipients of old-age assistance to reside in public institutions. Both memorials were referred to the House Committee on Ways and Means.

(Continued from page 20)

limit should be drawn, and claimants should not be disqualified for refusing work at wages substantially less than those prevailing in the locality for similar work, or at rates which would reduce their weekly earning to an unreasonable degree. Whether the difference between the wages offered and the worker's prior earnings is such as to render the work unsuitable depends on the specific facts in each case.

In this connection it should be pointed out that the reduction in weekly hours of work from 48 to 40 has in itself reduced the earnings of most workers by 23 percent. If, in addition, the hourly rate offered the claimant is as much as a third less

than he has been getting, his weekly earnings would be only half as much as his wartime wages. For example, a worker who had been getting \$1 an hour, with time and a half for overtime, received \$52 for a 48-hour week. At the same rate of pay, he would earn \$40, or \$12 less, for a 40-hour week. But if the job offered paid only 65 cents an hour, he would earn only \$26, or just half his former pay. Such a reduction from the worker's prior earnings should bear heavily in determining whether the work offered was suitable.

### Summary

The Bureau of Employment Security believes that these recommendations on the determination of the

claimant's customary work, the allowance of a reasonable period of adjustment, and the circumstances in which work outside the claimant's customary occupation may become suitable will be helpful in handling the majority of work-refusal cases which will arise during reconversion. As already indicated, however, these recommendations are general and the use of minimum time periods is suggested primarily as a guide. Neither the policies nor the time periods adopted should be rigidly applied. Both should be modified or extended according to the circumstances in the case, and all factors relevant to the determination should be considered in deciding whether the job which the claimant refused was in fact suitable for him.







---

FEDERAL SECURITY AGENCY  
SOCIAL SECURITY BOARD  
Washington, D. C.

ARTHUR J. ALTMAYER, *Chairman*

GEORGE E. BIGGE

ELLEN S. WOODWARD

BUREAUS AND OFFICES

*Executive Director*

OSCAR M. POWELL

*Assistant Executive Director*

WILLIAM L. MITCHELL

Bureau of Old-Age and Survivors Insurance  
OSCAR C. FOGGE, *Director*

Bureau of Public Assistance  
JANE M. HORY, *Director*

Bureau of Employment Security  
EWAN CLAQUE, *Director*

Bureau of Research and Statistics  
I. S. FALK, *Director*

Bureau of Accounts and Audits  
LEONARD J. WILBERT, *Director*

Informational Service  
ROBERT HURN, *Director*

Office of Appeals Council  
JOSEPH E. McELVAIN, *Chairman*

Office of the Actuary  
W. R. WILLIAMSON, *Actuarial Consultant*

---

The SOCIAL SECURITY BULLETIN is published monthly under authority of Public Resolution No. 57, approved May 11, 1922 (42 Stat. 541), as amended by section 307, Public Act 212, 72d Congress, approved June 30, 1932. This publication is approved by the Director of the Bureau of the Budget.

The BULLETIN is prepared in the Periodic Publications Section, of which Jessica H. Barr is Chief, under the supervision of Mary Ross, Chief of the Division of Publications and Review, Office of the Executive Director. It reports current data on operations of the Social Security Board and the results of research and analysis pertinent to the social security program, and is issued primarily for distribution to agencies directly concerned with the administration of the Social Security Act. Statements in articles do not necessarily reflect final conclusions or official policies of the Social Security Board. Any part of this publication may be reproduced with appropriate credit to the BULLETIN.

The BULLETIN is for sale by the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C., to whom all purchase orders, with accompanying remittance, should be sent. Beginning with the January 1946 issue, the annual subscription is \$1.50 in the United States, Canada, and Mexico and \$2.25 in all other countries; price of single copy, 15 cents. For all issues before 1946, the price of single copies remains 20 cents.

Issues of the SOCIAL SECURITY YEARBOOK, an annual calendar-year supplement to the BULLETIN, are sold separately by the Superintendent of Documents as follows: 1939, 50 cents; 1940 and 1941, 70 cents each; 1942 and 1944, 50 cents; 1943, 45 cents.

---





